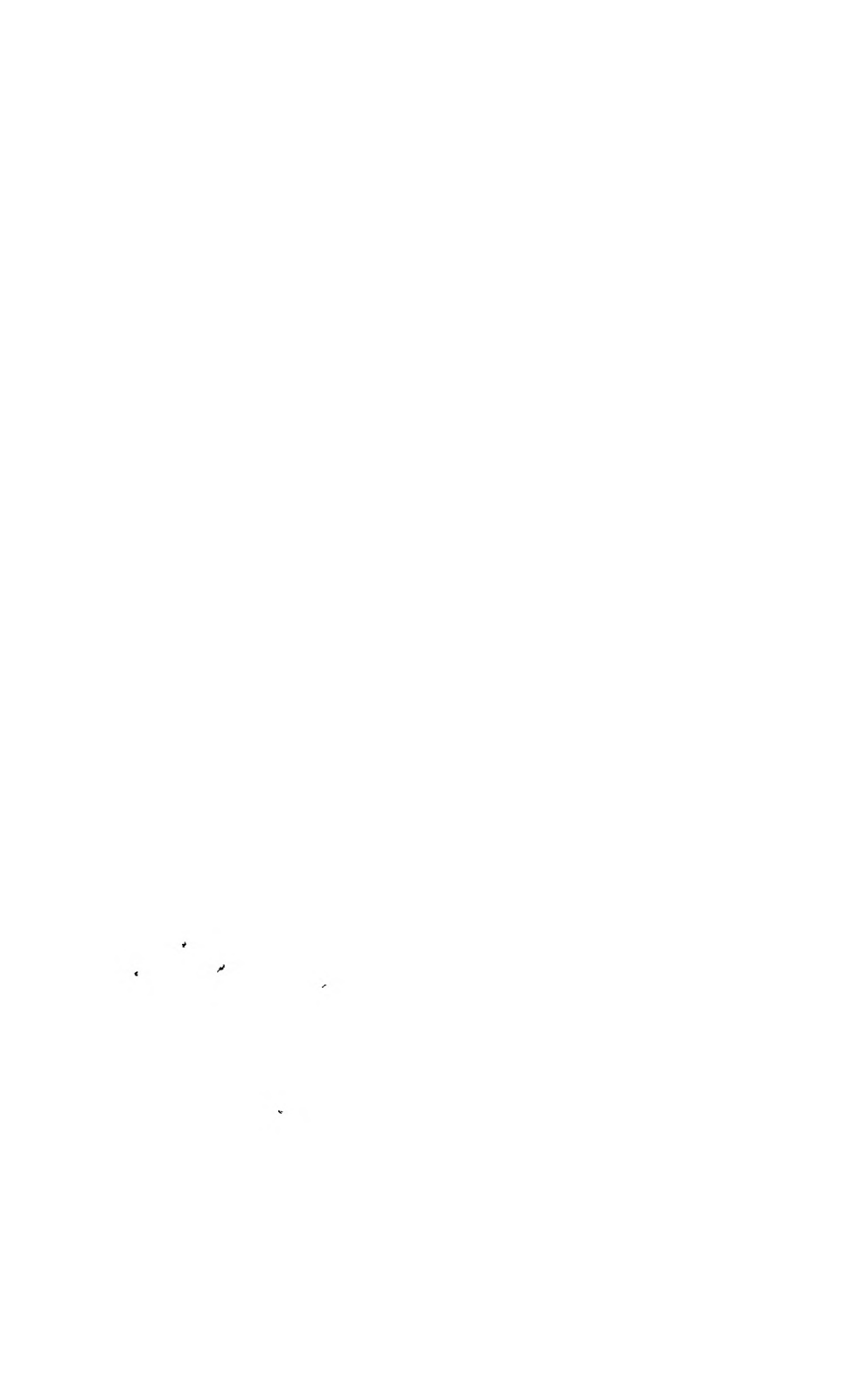




Survey of India's Social Life and Economic  
Condition in the Eighteenth Century  
(1707-1813)



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1707-1813

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# Preface

The revised edition of the book contains some new information on the basis of up-to-date studies. It is my pleasant duty to acknowledge with thanks my indebtedness to those who have helped me in the preparation of this volume. I am immensely grateful to Shri S. Roy, an ex-Director of the National Archives, New Delhi, to its present Director Dr S. N. Prasad and their staff for their kind and prompt compliance with my requests to obtain transcripts of original records from their custody. I must also thank the staff of the State Central Archives, Bihar, Patna and that of the Board of Revenue, Patna, for their kindness in helping me to utilise records preserved under the custody of both.

My thanks are due to the Editors of the *Indo-Asian Culture*, New Delhi and the *Journal of Economic and Social History of the Orient*, published by Messrs E. J. Brill Ltd, Leiden, for their kind permission to include in this book the portions on Trends of Religious Thought and Trade of the East India Company, which were published respectively in their journals. Dr Jata Shankar Jha, M.A., Ph.D., an ex-pupil of mine and now officiating Director of the K. P. Jayaswal Research Institute, Patna has laid me under a debt of gratitude for offering some valuable suggestions after going through the type-script of this volume. I am also thankful to my old pupils, Dr Surendra Gopal, M.A., Ph.D., Reader in History, Patna University and to Dr Somnath Roy, M.A., Ph.D., Lecturer in History, Magadh University, Bodh Gaya for helping me in the correction of proofs and preparation of the index.

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# Introduction

The eighteenth century forms a tragic period in the history of India. It witnessed the virtual collapse of the Imperial authority at Delhi which marred for the time being all hopes of a progressive and peaceful government and led to the destruction of a political and social order which had been in existence for two centuries and a half. Dreadful political turmoils, acute social anarchy and serious economic disorders make this century a 'period of unparalleled confusion, an incoherent formless epoch.' No century of Indian history records such intrigues, such crimes and such horrors as distracted the country during this period

The central fact in the history of this period was the gradual dismemberment of the Mughal Empire as a result of the working of a number of forces which had their birth even before Emperor Aurangzeb closed his eyes for ever in his camp at Ahmadnagar on 3rd March, 1707, but which grew alarming under his weak successors. The influence of personalities in moulding the political destiny of a country should be duly recognised. An Akbar or an Aurangzeb could rear up or maintain a majestic empire which began visibly to weaken and break up under the weak and effeminate rulers of the later Mughal dynasty. Excessive devotion to the pleasures of the harem impaired the energies of rulers like Farrukhsiyar and Muhammad Shah and they could not develop intelligence, manly spirit or courage without which no ruler can pilot the ship of the state. They utterly neglected the administration of the Empire and the whole structure from top to bottom came to be honeycombed with abuses. Such an empire whose 'supreme head' was a 'fool and a sluggard' soon ceased to look after the interests of the country and it forfeited its claim to exist. The fall of the later Mughals had from this point of view a moral justification. We might express in the language used by Dr. Stubbs to justify the fall of the Lancas-

trians that the 'dynasty that had failed to govern must cease to reign.'

As a natural corollary to this decline in the character of the monarchs followed the utter degeneration of the Mughal nobility during the 18th century. The Mughal nobility, a nobility of service dependent for its career or chances on the rulers, had rendered useful services to the state in the days of the Great Mughals. But their feeble, indolent and tactless successors failed to utilise the nobility for the good of the state and allowed it to go down in prestige and character. There is much truth in the wise saying of the great Wazir Sadullah Khan, 'No age is wanting in able men; it is the business of wise masters to find them out, win them over, and get work done by means of them, without listening to the calumnies of selfish men against them.'<sup>1</sup>

The country suffered from the worst consequences which followed from the ignoble tactics and practices of this discontented and depraved nobility. Party factions fomented by the ambitious designs of the nobles are always prejudicial to the interests of a state, and in the absence of a strong central authority the Mughal state was torn up in the midst of general wars, treacherous conspiracies, assassinations and barbarities. One would simply shudder to know how Farrukhsiyar was blinded, imprisoned and murdered towards the end of February, 1719, how Ahmad Shah was deposed and arrested on the 2nd June, 1754, how Alamgir II was murdered on the 29th of November, 1759, by the Wazir Imad-ul-mulk and how the 'deadly malignity' of Imad compelled Shah Alam II to be a helpless wanderer from place to place during the most precious period of his life.

Besides the machinations of the nobles of the Hindusthani or Indo-Moslem party formed of some prominent Hindu politicians and the Muslims who were born in India or were longer settled in the country, there were the bitter rivalries of foreign nobles like the Turanis, that is those who came from Transoxiana and other parts of Asia and were mostly Sunnis, and Iranis, that is those who came from the Persian territories and were Shias, which distracted the country. Civil dissensions spread throughout the land and the administration suffered from terrible abuses. 'There was no far-sighted leader, no clearly thought-out and steadily-pursued scheme

<sup>1</sup>Irvine, *Later Mughals*, II, p. 311.

of national development as under Akbar. No political genius arose to teach the country a new philosophy of life, or to kindle aspirations after a new heaven on earth.<sup>1</sup> Referring to the court of Siraj-ud-daulah in Bengal, a contemporary *Memoir* commented that 'the only oracle that every one consulted was self-interest.' The French adventurer Jean Law exclaimed in disappointment before the historian Ghulam Husain in April, 1759, 'I have travelled everywhere from Bengal to Delhi, but nowhere have I found anything from any one except oppression of the poor and plundering of way-farers. Whenever I wanted that one of these famous potentates, like Shuja, Imad and their peers, out of a regard for honour and desire for the regulation of the Government, should undertake to put in order the affairs of Bengal and suppress the English not one of them felt any inclination to the task. They did not once weigh in their minds the praiseworthiness or shame of their conduct. The Indian nobles are a set of disorderly inconsistent block-heads, who exist solely for ruining a world of people.'<sup>2</sup> Shah Alam also wrote in 1768, 'Through the perfidiousness of the nobility and vassals this anarchy has arisen, and every one proclaims himself a sovereign in his own place, and they are at variance with one another, the strong prevailing over the weak. In this age of delusion and deceit, His Majesty places no dependence on the services or professions of loyalty of any one but the English chiefs.'<sup>3</sup>

Ghulam Husain, the author of *Siyar-ul-mutakherin*, passed a severe indictment against unscrupulous nobles and officers in the following words, 'Then bribing men into compliance became of fashion, and of current use, and sluggish people, addicted to their ease, thinking it a good fortune to get at once so much assured money, made no difficulty to sacrifice the sweat of the people of God and the toil of the helpless farmer, to the capacity of lease-takers, tax-gatherers, and contractors. It is from those times that must be dated the sinking of rents, the decrease of husbandry, the distress of the people, and their detestation of their Rulers. These evils went on increasing from day to day, till at last the office of *Qazi* or Judge, and then of *Sadr* or of Great Almoner, with many

<sup>1</sup>Irvine, *Later Mughals*, II, p. 314.

<sup>2</sup>Quoted in Sarfaraz, *Fall of the Mughal Empire*, II, p. 528, from *Siyar-ul-mutakherin*, II, p. 257.

<sup>3</sup>Quoted in *ibid*, from *Calendar of Persian Correspondence*, II, pp. 1101, 1836.



other Magistratures, came to be put up publicly to sale; so that the people skilled in law, and in matters of distributive justice, entirely disappeared from the land, nor was anything else thought of, but how to bring money to hand by any means whatever. This, and this alone, became the utmost ambition of all ranks, and especially of the hypocrites amongst the men that meddled with law. It was in such an enfeebled state of the Empire, that there arose a new sort of men, worse than the former, who, so far from setting up for patterns of piety and virtue, or pretending to shew the right way to others, squandered away the lives and properties of the poor with so much barefacedness, that other men, on beholding their conduct, became bolder and bolder, and practised the worst and ugliest actions, without fear or remorse; so far are they from thinking it a shame or an infamy to imitate and follow such examples. From those men sprung an infinity of evil-doers, who plague the Indian world, and grind the face of the wretched inhabitants. Those men having in process of time assembled in bodies, there arose an age of senseless, slothful Princes, and of Grandees, ignorant and meddling. Then it was that the Sun of Justice and Equity, that had already been verging from the meridian, inclined downwards, degree by degree, and at last entirely set in the Occident of ignorance, imprudence, violence, and civil wars. It is in consequence of these excesses, that evils are arisen to such a height, as render a remedy impossible. It is in consequence of such wretched administrations, that every part of India has gone to ruin, and every one of its discouraged inhabitants have broken their hearts. Life itself has become disgusting to most. So that, on comparing the present times with the past, one is apt to think that the world is overspread with blindness, and that the earth is totally overwhelmed with an everlasting darkness.'

Thus when the rulers or the nobles did not know how to look after real interests of the state others were bound to come in. Just as an individual without strength of body or tenacity of character easily falls prostrate before a hostile force so a society or a state without lofty ideals or inspiring examples gradually loses its vitality and falls an easy prey to alien influences or aggressive attacks from outside. The history of Poland in the 18th century illustrates how a weak state with a vitiated body-politic cannot maintain its independent existence for a long time. In India also during that century the internal exhaustion of the empire of the successors of Akbar,

Shahjahan and Aurangzeb and the weak defence of Afghanistan and the Punjab invited external invasions which kept the whole of Northern India pulsating for about thirty years. Ghulam Husain has well described how there was only a mockery, a caricature of administration when he writes, 'Hence the guards being ill-paid, abandoned their posts, and the garrisons being utterly neglected, invited the invaders, and the report of the Ministers' indifference and the weakness of the Government being rumoured everywhere, every one without fear of control thought only of his personal interests without minding any consequences. The roads and passes being neglected, every one passed and repassed, unobserved, no intelligence was forwarded to Court (of Delhi) of what was happening; and neither Emperor nor the nobles ever asked why no intelligence of that kind ever reached their ears.'

The first death-blow fell upon the tottering Mughal Empire from Persia which had once helped the adventurer Babar in laying its foundation in India and had extended a refuge to the fugitive Humayun. The invasion of Nadir Shah of Persia lasting from the 10th of May 1738 when the Persian invader began his march into Northern Afghanistan till the 5th of May 1739 when the Persian conqueror left Delhi on his homeward march is a terrible episode in the history of India. The imperial city of Delhi was subjected to a brutal massacre and the villages lying within 30 or 40 miles of the city were marauded and plundered and some important towns were sacked. It has been stated by some reliable authorities that 'many respectable Indian householders slew their own wives and daughters to save them from dishonour by the Qizilbash soldiery and then rushed on the enemy's swords or cut their own throats. Many women drowned themselves in the wells of their houses to escape a shame worse than death.'<sup>1</sup> The invader exacted a heavy indemnity amounting to 15 crores of rupees in cash besides jewellery, clothing and furniture worth 50 crores more. The crown jewels including the famous diamond Kohinoor and the Peacock throne were carried by the victors. The famous illustrated Persian manuscript on the Hindu music written by the command of Emperor Muhammad Shah and lately recovered by Maharaja Tagore in London formed part of his plunder. Thus this invasion dealt a deadly blow on the prestige of the Delhi Empire and drained a vast wealth out of India.

<sup>1</sup>Irvine, *op. cit.*, II, p. 369.

The invasion of Nadir Shah created also a precedent for the Abdali invasions of India. After the treacherous assassination of Nadir Shah on the 9th of June, 1747, Ahmad Shah Abdali, who had been in the service of Nadir Shah since 1737 AD, seized the throne of Persia and styled himself Durrani Padishah. From the year 1748 till 1767 or probably till 1769 (some English records refer to an invasion of Ahmad Shah Abdali in the Punjab in 1769 AD)<sup>1</sup> he led several expeditions into India. These expeditions were something more than mere predatory raids. These indicated the revival of the Afghan power outside and within India, making a fresh bid for supremacy on the ruins of the Mughal Empire. The earlier Afghan settlers in the lower Gangetic regions, who may be classed as Indo-Afghans, had been replenished in the 17th and the first half of the 18th century by a fresh wave of Afghan immigration into Northern India which was a part of larger Central and West Asiatic penetration of it in those times. Afghan adventurers sought military employments everywhere either as retainers or as mercenaries and some of them had begun to found principalities and build up spheres of influence of their own as in Ruhelkhand. This peaceful Afghan penetration prepared the way for, and conversely was assisted and furthered by, Afghan invasions from the north-west, just as in the immediately previous period prolonged Persian influence and penetration culminated in the Persian invasion of 1738-39 AD. In fact, North India being then full of ambitious Afghans was in constant apprehension of an Afghan bid for political power all over India, of Afghan invasions almost every year that might result in the foundation of an Afghan Empire. The Ruhelas under Ali Muhammad Ruhela openly defied the authority of Muhammad Shah. One should note that the year 1748 which saw Ali Muhammad Ruhela at the height of his power was the year when Ahmad Shah Abdali appeared for the first time in India and when the Bihar Afghans rebelled against the government of Alivardi and made themselves masters of Patna for three months, 13th January to 16th April, 1748. It is also significant that Ahmad Shah Abdali was joined by the Muslim chiefs of Northern India like the oppressed Ruhelas and the Nawab of Oudh.

This Afghan bid for supremacy was a potent factor in the history of India during the considerable part of the 18th century. It acce-

<sup>1</sup>*Indian Historical Quarterly*, December, 1934.

lerated the dismemberment of the Mughal Empire, seriously opposed the ambitions of the north-pushing Maratha power in the field of Panipat in January, 1761 and left the East India Company in Bengal in constant anxiety for several years. The result of Panipat of course gave a respite to the rising British power in India to strengthen its hold over Bengal but these might have proved otherwise if Ahmad Shah Abdali had not been stopped from pushing further east by troubles at home. The Bihar and Bengal Afghans could ally themselves with one of their race and could compete with the Company for supremacy in Bengal where in the 16th century Sher Shah had established a glorious Afghan rule and where so recently as 1748 they had defied the authority of Alivardi. As a matter of fact from 1757, or more definitely after the battle of Buxar when the defence of Oudh, i.e., the north-west frontier of Bihar became a matter of vital necessity for the English in Bengal, till the close of the eighteenth century, the dread of Durrani menace constantly haunted the imaginations of the British statesman in India. There are copious references in the British newspapers, the proceedings of the Select Committee in Bengal and the correspondence of the Company's Governors with the rulers of the country how the Company's Government was always apprehensive of an Abdali dash upon Oudh and then upon Bengal. Siraj-ud-daulah felt relief when Ahmad Shah Abdali marched back for returning to his own country towards the end of March, 1757. He wrote to Clive on the 26th April, 1757, 'By the favour of God peace has been agreed up between Ahmad Shah Abdali and me. By repeated advices I am informed of his returning by continued marches from Delhi to his own country, and that he had got as far as Paniput (Panipat) and Sunipat (Sonepat). As I look upon Abdali's returning at this time in the light of a victory, for your pleasure and satisfaction I have acquainted you with it.'<sup>1</sup> He again wrote to Clive on the 17th May, 1757, 'By the favour and goodness of God, Abdali is returning by continued marches to his own country.'<sup>2</sup>

There was an ebb of tide in the fortunes of the Durrani after the death of Ahmad Shah Abdali in June, 1773. His son and successor, Timur Shah, was a weak and indolent ruler and he had no design to invade India. After his death his fifth son Zaman Shah ascended

<sup>1</sup>S. C. Hill, *Bengal in 1756-57*, II, p. 360.

<sup>2</sup>*ibid*, p. 385.

the throne in May 1793. Having effected his security from the hands of the enemies at home he meditated an invasion of interior Hindusthan. The fear of his invasion 'kept the British Indian Empire in a chronic state of unrest'<sup>1</sup> in the days of Sir John Shore and Lord Wellesley Dundas being confirmed 'in the belief of his (Zaman Shah's) hostile designs,' wrote to Wellesley that he 'ought to keep a very watchful eye upon the motions of that Prince whose talents, military forces, and pecuniary resources afford to him the means of being a formidable opponent'<sup>2</sup> Lord Wellesley claims to have removed this Durrani menace by sending two missions to Persia, first of Mehdi Ali Khan and then of Captain Malcolm. He wrote to the Secret Committee in London on 28th September, 1801, 'The active measures adopted by the Court of Persia against Zemaun (Zaman Shah) which were subsequently encouraged by Captain Malcolm, produced the salutary effect of diverting the attention of Zemaun Shah from his long projected invasion of Hindusthan during three successive seasons. . . The assistance afforded by Mehdi Ali Khan under my orders, to the Prince Muhammad Shah, originally enabled that Prince to excite these commotions which have recently terminated in the defeat of Zemaun Shah, in his deposition from the throne and in the active extinction of his power, to the consolidated and active Government of Zemaun Shah has succeeded a state of confusion in the country of the Afghans highly favourable to our security in that quarter.'

This period was also profoundly influenced by the imperialism of the Marathas who had revived under the Peshwas. This Maratha imperialism was, as it were, wreaking a vengeance on the moribund Mughal Empire and was making a gigantic bid for a *Hindu Padshahi* or *Hindu Swaraj* over India, the different parts of which like the Deccan, Gujarat, Malwa, Rajputana, Central India, Bengal, Delhi and the Punjab, quickly fell under their influence. The policy of founding Maratha Empire on the ruins of the Mughal Empire initiated by the first Peshwa Balaji Bishwanath received an impetus from the journey of the Marathas to Delhi in 1719 when they saw with their own eyes the utterly rotten state of the Delhi Empire. This aggressive policy was definitely formulated by the bold and imaginative Peshwa Baji Rao I when he suggested to his master Sahu in

<sup>1</sup>Kaye, *History of the War in Afghanistan*, I

<sup>2</sup>Owen, *Wellesley Despatches*, p. 638.

1722, 'Let us strike at the trunk of the withering tree (the Mughal Empire), the branches will fall of themselves. Thus should the Maratha flag fly from the Krishna to the Indus.' By 1731 Baji Rao crushed the ambition of his domestic foes like Shambhaji II of Kolhapur and the Senapati Trimbak Rao and Dabhade, within a few years conquered Malwa, Gujarat and Bundelkhand. The dash of his cavalry on the imperial capital Delhi in 1737 publicly exposed the decadence of the Empire, and in January 1738 by the treaty of Durai Sarai the Nizam-ul-mulk, the most inveterate foe of the Marathas, resigned to them the whole country between the Narmada and the Chambal. By 1758 Raghunath Rao gave effect to the famous prophecy of Baji Rao by planting the Maratha banner on the walls of Attock. But this north-western push of the Marathas brought them into collision with the Afghans who were also, as I have already pointed out, competing for supremacy over Hindusthan. A conflict between the two became inevitable; it was fought in the historic field of Panipat on 14th January, 1761, where the fate of India had been decided age after age. The results of this battle were disastrous for the Marathas. It checked their ambition of a north-western expansion, caused them enormous loss of men and money and dealt a severe blow to their prestige. The Peshwa died of broken heart on 23rd June, 1761.

But Panipat was not the Waterloo of Maratha ambition. Due to the untiring energy and ceaseless efforts of the young Peshwa Madho Rao I the Marathas quickly recovered from the blows of the Panipat disaster and in 1772 they restored the exiled Mughal Emperor Shah Alam II to the throne of his forefathers. Within a few years Mahadaji Sindhia appeared as a dictator over the politics of Hindusthan so that the Delhi Emperor came absolutely under his control in 1789. In the words of Sir John Malcolm, the Sindhia remained, 'as the nominal slave but the rigid master of the unfortunate Shah Alam, Emperor of Delhi.'<sup>1</sup> This control over the titular Emperor was a significant fact, it gave one who could establish it a formal support for his claims. Thus both the English and the Marathas, the two active competitors for political supremacy over Hindustan during the last quarter of the 18th century, tried to utilize the fiction of imperial sovereignty for their own ends. The Marathas could not retain it long but the English could establish it

<sup>1</sup>*Memoir of Central India*, I, p. 122.

successfully in 1803. From this time forward the Marathas lagged behind in the race for political supremacy till their ambitions were crushed for ever by 1818 AD. The tragic collapse of the Marathas in 1818 was an almost inevitable corollary to their disasters in 1802-3.

This was bound to come. A house divided against itself cannot stand long; it dissolves quickly like a house of cards. Thus the so-called Maratha confederacy, torn asunder by the selfishness and dissensions of its members, could not stand before united British force in India. Further, this Maratha imperialism, if it would be so called at all, lacked all those elements which can give strength and permanence to a polity. Having no unity of plan or organisation or a sound economic policy the Maratha state grew hollow like a worm-eaten trunk and fell violently after repeated shocks from 1761 to 1818. Lastly, the Marathas acted unwisely in depending on the foreigners for artillery instead of developing a scientific military establishment of their own. They lost their own method of warfare, could not make the new method of the West their own and thus failed to stand before the artillery and the intrepid bravery of the British soldiers.

Active participation of the European trading companies like the English, the Dutch and the French in the politics of India with the desire of establishing political supremacy forms also a prominent factor in the eighteenth century history of India. The Dutch ambition to rival the political supremacy of the English was crushed by their defeat at the battle of Bedara on the 24th of November, 1759. But the Anglo-French conflicts in India have a long story covering more than half the century. In spite of the sad fates of Dupleix and Lally and their defeat at the battle of Wandewash, fought on the 22nd of January, 1760, the French pursued their ambitions in India.<sup>1</sup> Thus even after 1760 AD, there remained a dreadful French menace for the rising British power in India and the British statesmen in India as well as in England anxiously watched the movements of the French. To further their designs the French in India then tried to form alliances with Indian powers like the Marathas and Haidar Ali and Tipu who were bitter foes of the English. In 1777 St. Lubin was negotiating for a treaty with Nana Fadnavis for stirring up the Marathas against the English, 'not in a vague and uncertain manner but with a view to obliging them (English) to divide their forces.'<sup>2</sup>

<sup>1</sup>*Bengal. Past and Present*, July-September, 1931, p. 25.

<sup>2</sup>*ibid.*

The French further considered an alliance with the Mysore Kingdom necessary 'for regaining the ascendancy of it.'<sup>1</sup> The revolt of the American colonies of England gave the French the desired opportunity to strike another blow. They now supported the revolted American colonies and at the time made a desperate attempt to regain their power in India, while the English forces and energies remained divided. The French Government sent Bussy with 3,000 men and a powerful fleet under Admiral Suffrein to help Haidar Ali. But these achieved nothing for French interests. Pondichery was again captured by the English, though it was restored by the peace of Versailles in 1783. Even after this, the French tried to stir up the Indian powers like the Marathas, the Nizam and Tipu against the rising British power in India. Lord Cornwallis wrote to C.W. Mallet, Resident at Poona, on 10th March, 1789, 'I look upon a rupture with Tipu as a certain and immediate consequence of a war with France.' On the outbreak of the Revolutionary War in Europe the English proceeded to deprive the French of their possessions in India. Lord Cornwallis 'issued orders, which were effected without resistance for taking Chandernagore and the several French Factories in this country and seizing the vessels that have carried the French flag.'<sup>2</sup> He wrote to the Court of Directors on 15th September, 1793, 'I have great satisfaction in congratulating your Honorable Court on the reduction of the fortress of Pondichery and of all other French Settlements and Factories on the continent of India.' But the French menace found opportunity to grow alarming during the administration of Sir John Shore and it was Wellesley who removed it by curbing the power of the Indian allies of the French and by sending an expedition to the Red Sea which destroyed French hopes of establishing themselves on the overland route to India.

These conflicts of the Europeans in India during the 18th century were largely influenced by their wars in other parts of the world. The echoes of the War of Austrian Succession (1740-48), the Seven Years' War (1756-63), the War of the American Independence and Napoleonic Wars reached the distant shores of India. She was thus

<sup>1</sup>*Ibid.* Vide also a letter from Cornwallis to the Secret Committee, dated Fort William, 12th April, 1790, in Forrest, *Selections from the State Papers of the Governor-General of India*, II; Lord Cornwallis, p. 14.

<sup>2</sup>Letter from the Governor-General in Council to the Court of Directors, dated Fort William, 15 August, 1793. Ross, *Cornwallis Correspondence*, II, pp. 224-26.



drawn into the currents and cross-currents of world-politics and her political destiny became linked up with changes and revolutions beyond the oceans. But for what Chatham, Wolfe, Pitt, Nelson and Wellington achieved in America and Europe, Lord Clive, Warren Hastings, Lord Wellesley or Lord Hastings could not have gradually built the edifice of British dominion in India. It may be very well asserted that Clive, Hastings, Chatham, Pitt and Wellington were all active participators in the world-wide conflicts which resulted in the establishment of British authority in their respective spheres of work.

Besides other means British imperialism sought to strengthen its hold on India by imposing on her a new economic system to suit its own interests consistent with the demands of the new born industrialism between agriculture and industries of diverse kinds. She exported outside to Europe, Africa and the different parts of Asia, a vast quantity of her cotton and silk manufactures, raw silk, saltpetre, indigo and opium and till the middle of the eighteenth century got in return immense wealth contributing to her posterity. Referring to Bengal, Dow wrote about 1768, 'It was a sink where gold and silver came without the least prospect of return.' But from the mid-eighteenth century the quickly-succeeding political revolutions and consequent disorders throughout the country combined with the capacity and inordinate greed of the English East India Company's servants seriously affected India's trade and industries and there was a heavy drain on her economic resources in various forms accelerating her impoverishment.

The new masters of India, that is, the English East India Company, could not 'build Rome in a day'. It was for a period of not less than one century from 1757 that some of their able administrators devoted themselves to build up an edifice of strong administration in India as a corollary to their imperial supremacy. In regard to social and educational matters they followed till 1813 a policy of *laissez faire*, though some Englishmen in their individual opinions advocated social reforms and changes in education.

In the meanwhile the Industrial Revolution of the West had generated some mighty forces the influence of which penetrated into India, and vitally affected her old economy subjecting her to a process of pathetic economic decline. In fact, the whole of the eighteenth century (1707-1813) was a period of transition in which India had to pass through strain and agony, with confusion and anarchy triumphant.

phant all round, with tremendous dislocation in administration, with stagnation and repeated shocks in social life where the traditional features were struggling hard to survive, and with rapid decline in her economic condition

To write a comprehensive and detailed account of Indian society and economic condition in the eighteenth century is a stupendous task still awaiting the patient and painstaking labours of earnest-minded researchers. In this volume I have only tried, in my own humble way, to present a general survey of India's social life and economic condition during this century, which is full of weighty lessons for the living generation. At the parting of the ways in our history today, when we are engaged in the important task of effecting reconstructions of the varied phases of life, we cannot afford to ignore the traditions and lessons of our remote and immediate past if these are to be sound and fruitful. I have tried to utilise duly the valuable works of not only the old Indian writers, the pioneer of them being Mr. Romesh C. Dutt, but also those of my esteemed contemporaries. The important works consulted are:

Romesh C. Dutt, *Economic History of India under Early British Rule* (1902), J. C. Sinha, *Economic Annals of Bengal*, 1923, Holden Furber, *John Company at Work* (1951), Dr. N.K. Sinha, *Economic History of Bengal*, Vol. I (1956), Vol. II. (1962), Vol. III. (1970) Dr. H.R. Ghosal, *Economic Transition in the Bengal Presidency 1793-1833* (1966), Dr. Amallesh Tripathi, *Trade and Finance in the Bengal Presidency, 1793-1855* (1956) H. Sinha, *Early European Banking in India* (1927), Dr. Shyam Behari Singh, *European Agency Houses in Bengal* (1966). I have tried to supplement, what was already written, by additional information gathered from various contemporary sources, both unpublished and published.

Of the original sources the eighteenth century records of the English East India Company contain a vast mass of details relating to India's social life and economic condition during this period. The records like *Letters to and from the Court of Directors* are full of information on these aspects. Such correspondence records before 1748 were consulted by me in typescripts, which the National Archives of India (old Imperial Record Department) obtained many years back from what was then known as the India Office. For the period subsequent to 1748 several volumes, carefully edited by different scholars, have been of late published by the National Archives of India under the title *Fort William-India House Correspondence*.

Valuable corroborative or supplementary materials can be gleaned from the *Proceedings and Consultations of the Councils in Calcutta, Madras and Bombay*, the *Consultations of the Select Committees* and the *Committees of Secrecy*, the *Reports* of such Committees for different years, the *Factory Records*, the *Consultations of the Board of Revenue*, the *Correspondence of the Revenue Chiefs with the Council in Calcutta*, and the *Correspondence of the Judge-Magistrates*. The *Proceedings of the Mint Committee* (now preserved in the National Archives of India) are highly important for the study of currency in this period. I had the opportunity to consult the *Records of the Board of Revenue*, Patna. The Records of the Divisions and of Districts of Bihar (Bhagalpur from 1771, Muzaffarpur from 1782, Purnea from 1770, Patna Commissioner's Office from 1811, Ranchi Commissioner's Office from 1795, Shahabad from 1781), now shifted to the State Central Archives, Bihar, have been thoroughly scrutinised by me.

I have made use of some *Parliamentary Reports, Debates*, such as (a) *Reports of the Committee appointed to enquire into the nature, state and condition of the East India Company, 1772-73*, (b) *Reports from the Committee of Secrecy appointed by the House of Commons to enquire into the state of the East India Company, 1773*, (c) *Reports from the Select Committee appointed to take into consideration the state of the administration of justice in the provinces of Bengal, Bihar and Orissa, 1782-83*, (d) *Reports of the Select Committee appointed by the Court of Directors to take into consideration the export trade from Great Britain to the East Indies, 1793*, (e) *Fourth Report from the Select Committee on the East India Affairs, 1812*, (f) *Fifth Report from the Select Committee of the House of Commons, 1812*, edited by W. K. Firminger, (g) *Appendix to Report from the Select Committee on the Affairs of the East India Company, 1832*, Vols I, II, III, IV; (h) *Minutes of Evidence taken before the Select Committee on the Affairs of the East India Company, 1832*, Vols I, II, III, IV, (i) *Debates at the East India House during the negotiations for a renewal of the East India Company's Charter, by an impartial Reporter*, 2 vols.

Relevant materials have been collected from many works of contemporary or semi-contemporary writers after a careful assessment of the nature and value of their evidence. These are historical works, biographies, accounts of the Christian Missionaries, travel accounts, memoirs, journals, survey reports and other administrative reports,

and non-official correspondence. Contemporary newspapers, journals and gazettes, which have been published in different volumes, have also proved to be a valuable source of information. Special mention may be made in this connection of Seton-Karr's *Selections from Calcutta Gazettes* (Vols. I, II, III), Sandeman's *Supplement to Selections from Calcutta Gazettes* (Vols. IV & V)<sup>1</sup> and the highly useful compilation in Bengali, entitled *Sambadpatre Sekaler Katha* in three volumes, which were critically edited by late Shri Brajendra Nath Banerjee.

For a true social history of a country during a particular period, depicting the inner life of its people in manifold aspects, a critical and exhaustive study of contemporary literature is indispensably necessary. Literature is, indeed, a faithful mirror of a country's life for the period in which it flourishes. The prevailing ideas, tendencies and environments of a particular age cannot but influence its writers of different categories, and these are bound to be reflected to a considerable extent in their works. Trevelyan's famous book on the *Social History of England* is a brilliant example of fruitful study of literature for writing the social history of a country.

For certain obvious reasons it did not become possible for me to utilise literature of all parts of India, which flourished in the eighteenth century, and I had to limit myself to the study of Bengal's literature of the period. Let me hope that other Indian literatures of the period would be studied gradually for presenting a more comprehensive picture of the country's social life, the need for which is being realised more and more with our changed conception and outlook about historical studies.

In contemporary Bengal literature, Bharatachandra occupies an important place, and his works are full of many valuable incidental references regarding the social, economic, and political conditions of the province during the mid-eighteenth century. He was born about the year 1712 in a village called Pnedo-Vasantapur in the Hughli district and died in 1760. He was well-read in Sanskrit and Persian, and was for several years the court-poet of Maharajah Krishnaachandra of Nadia. Thus being connected with court-circles, he had a knowledge of many contemporary political events also. Like Bharatachandra, Ramaprasada Sen was a contemporary Bengali

<sup>1</sup>West Bengal Government Press some years back published *The Days of John Company*, selections from Calcutta Gazette, 1824-32, edited by Sri A. C. Das Gupta.

poet. He was born on a certain date between 1718 and 1723 in the village of Kumarhatta near Halisahar and died in 1775. In his writings also, we find valuable incidental references to the facts of contemporary social life and economic condition *Tuthamangala* by Vijayarama Sen Visarad is a contemporary book of travels in Bengali of much historical value. We know from internal evidences in the book that it was completed in 1177 BS (1770 AD). A manuscript copy, written by the author himself four months after its completion, was edited by Sri Nagendranath Vasu and published by the *Vangiya Sahitya-Parisad*, Calcutta. The author, Vijayaram, joined Krishnachandra Ghosal on a pilgrimage to the holy places of Northern India in 1769, and he has given interesting descriptions of the routes followed and the places visited by them. The descriptions being mostly accurate are of much importance for a student of history. Krishnachandra Ghosal was the elder brother of Gokulchandra Ghosal, the Company's *diwan* from the 27th January, 1767, to the 26th December, 1769. In Ramesvara's *Sivayana*, written about 1750, we find important references to the facts of social and economic history of the time. The writer lived under the patronage of Rajah Yasovanta Singh of Karnagada in Midnapur. Valuable incidental references are available in *Harilila* by Jayanarayan Sen, a contemporary of Bharatchandra and Ramaprasada, and a relative of Rajah Rajballabh of Dacca. He composed *Harilila*, in collaboration with his niece Anandamayi, in the year 1772. *Maharasthapitrana* by Gangaram (published in the *Vangiya Sahitya Parisad Patrika*, 1313 BS, Part IV) is an important historical writing, containing a contemporary account of the Maratha invasions of Bengal and their socio-economic effects. Songs of Ramanidhi Raya (1741-1834), popularly known as 'Nidu Babu's *tappa*', and also songs of the *Kaviwalas* like Haru Thakur (1738-1813), Nityananda Vairagi (1751-1821) and some others, incidentally refer to certain features of contemporary society. S. R. Mitra's *Types of Early Bengali Prose* (published by the University of Calcutta) is a collection of old prose writings in Bengali, some of which are of historical value.

Contemporary historical works, biographies, letters, etc., written in Persian, though mainly concerned with political events, contain some important information relating also to the other aspects of life. One such important historical work is a manuscript entitled *Ahwal-i-Ahwardi Khan* (as mentioned in '*Descriptive Catalogue of Persian Manuscripts*,' published by A. S. B., *Bibliotheca Indica* Work no.

248) or *Tarikh-i-Mahabat Jang* (British Museum Additional MS, no. 27316, Rieu, I, pp. 311-312) by Yusuf Ali Khan. This work presents a very valuable and detailed description of the history of the Bengal Subah during the mid-eighteenth century. The author, an eye-witness of what happened in Bengal since the time of Sarfaraz, mentions many new facts and dates, which are not found in any other contemporary work. Several years back I consulted a copy of it, preserved in the Library of the Asiatic Society, Calcutta. Recently we could get a good copy of it for the Manuscript section of the Patna University Library. *Siyar-ul-Mutakherin* (completed in 1782 AD) is another important history of India from 1707 to 1780 with a detailed account of the affairs in the Bengal Subah from 1738 to 1780 AD. The author, Ghulam Husain, belonged to a distinguished family of Bihar. His grandfather, Sayyid Alimullah, and his father, Hedayat Ali Khan Bahadur Asad Jang, held high offices in the Muslim Government (imperial as well as provincial). He himself took part in the political affairs and military campaigns of the time, served as a representative of Nawab Mir Qasim with the Company in Calcutta and was later on engaged under the Company in various capacities (vide *Asiatic Annual Register*, 1801, pp. 26-27). He was well educated, and thoroughly acquainted with the history of his time. An English translation of this work by a French convert to Islam, Haji Mustafa, was prepared in Calcutta in 1789. *Muzaffar-namah* is a detailed history of the Bengal Subah from the time of Nawab Alivardi to 1772, when Muhammad Reza Khan, also known as Muzaffar Jang, was deposed by the English from his official position as Naib Nazim. The author, Karam Ali, states in the preface and in another folio of his work that he belonged to the family of the Nawabs of Murshidabad. He was on intimate terms with Alivardi, and served as the *faujdar* of Ghoraghat for several years during his regime. He was employed under Muzaffar Jang, and notes that he wrote the present work in 1186 AH=1772 AD in order to remove his grief caused by the dismissal of his patron, to whom he dedicated it and after whom it was named. I utilised the copy of this manuscript preserved in the Oriental Public Library, Patna (O.P.L., SM no. 609), and some time back a copy of it was procured for the Patna University Library. Late Dr. Jadunath Sarkar published English translation of it in some issues of *Bengal: Past and Present*. *Tarikh-i-Bangalah* by Salmullah is a history of Bengal from 1107 AH to the death of Alivardi Khan (1169 AH, April,

1756) full of many interesting and important details. The author states that he wrote this work under an order of Henry Vansittart, Governor of Bengal from 1760-1764 (Vide Rieu, I, p. 312). An incomplete and rather incorrect translation of it was published in 1788 by Francis Gladwin in Calcutta under the title of *A Narrative of the Transactions in Bengal*. A copy of this manuscript has been recently purchased for the K. P. Jayaswal Research Institute, Patna. Mention may be made of *Riyaz-us Salatin*, written in 1786-87 by Ghulam Husain Salim of Maldah, at the request of Mr George Udni, who had employed him as his *Munsif*. The author of this work seems to have based his accounts to a great extent on the history of Salimullah. An English translation of it has been published by the Asiatic Society, Calcutta. Part two of *Khulasat-ut-Tawarikh* by Kalyan Singh contains an account of the events of Bengal from the days of Alivardi till the time of the author's deposition from the Deputy Governorship of Bihar in 1783. The work was completed in 1812 and seems to be based to a large extent on *Siyar-ul-mutakherin*. The author's father, Shitab Ray, was Deputy Governor of Bihar (1765-73 AD), and the author himself took active parts in many of the political events of the time. I have utilized the copy of this manuscript preserved in the Oriental Public Library, Patna. *Dastur-ul-Insha* compiled by Munsif Vijayram of Lucknow in 1769, is a very useful collection of letters, which contains many new and important facts regarding the history of Bengal and Bihar during the mid-eighteenth century, especially relating to Rajah Ram Narain. Most of these letters were written by Rajah Ram Narain to the Nawab and his officers posted at different places, and a few by Rajah Dhiraj Narain, brother of Rajah Ram Narain. Another compilation of letters, entitled *Dastur-ul-Insha*, by Munsif Shaikh Yar Muhammad Qalandar, refer to transactions in Bengal during the mid-eighteenth century.

My thanks are due to the Editors of the Indo-Asian Culture, New Delhi, and the Journal of Economic and Social History of the Orient, published by Messrs E.J Brill Ltd., Leiden, for their kind permission to include in this book the portions on Trends of Religious thought and Trade of the East India Company which were published respectively in their Journals.

## Trends of Religious Thought

Preconceived notions, religious or other bias, limited experiences, ignorance about traditions and environments, spirit of propaganda led some persons to make observations which are not correct. No doubt the European Christian missionaries by their exertions produced indirectly some salutary effects on Indian society and education. But in their intense zeal to prove the superiority of Christian morals and to further the cause of evangelisation in this country some of the European Christian missionaries made monstrous statements. 'All your Gods,' one of them proclaimed, 'are nothing else but demons; you will go to hell to expatiate in eternal flames the crime of your idolators.' The book entitled *Hindu Manners, Customs and Ceremonies* by the famous Christian missionary, J.A. Dūbois, who spent thirtyone years in India from 1792, while it contains plenty of details about Indian life is on the whole vitiated by his particular outlook influenced by what he described as his mission of civilizing the heathens. Henry Martyn, another missionary, presented a highly biased picture of Indian society. Even the famous Scottish missionary, Duff, held in the thirties of the 19th century that the people of India had 'sunk into depths of demoralisation which has become endemic and universal, manifested in aggravated forms, perpetuated and engraven with a pen of iron upon their character.' He further observed.

'What horried and monstrous practices does it inculcate? Hinduism has its public temples too. But what are they? Black, and sullen, and stupendous piles reared in the fables recesses of a past eternity, and covering the whole land with their deadly shade. Who are worshipped therein? Not, as may readily be supposed, not the high and the holy one that inhabiteth eternity, but *three hundred and thirty millions of deities instead*;—thus realizing one of Satan's



mightiest triumphs, when as if in cruel derision of heaven's economy with its one Lord of uncontrolled dominion, and myriads of adoring worshippers<sup>1</sup> he has succeeded in implanting the vile delusion that the number of the worshipped may be treble that of the worshippers Who and whence are these? Practically we are still directed to the clay, and the wood, and the stone; and are told that the infatuated people ransack heaven above, and earth below, and the waters under the earth, for vital forms after which to shape and fashion their lifeless divinities And, when all vital forms have been exhausted, they next task their ingenuity and rack their imagination in combining these into an endless variety of unnatural compounds, to which may emphatically be applied the language of the Christian poet,

"All monstrous, all prodigious things,  
Abominable, unutterable, and worse  
Than fables yet have feigned, or fear conceived,  
Gorgons, and hydras, and chimeras dire."<sup>1</sup>

The Evangelicals and some members of the famous Clapham Sect like Charles Grant and Wilberforce used words of indictment against Indian morals and culture In a prejudiced treatise entitled *Observations on the State of Society Among the Asiatic Subjects of Great Britain, particularly with reference to morals and the means of improving it*, written by Charles Grant<sup>2</sup> chiefly in 1792, and presented to the Court of Directors in 1797, he strongly urged the

<sup>1</sup>Duff, *India and Indian Missions*, p 212

<sup>2</sup>Charles Grant's Indian career started in 1768, and he spent his first few years as private agent to Richard Beeher, then an influential servant of the Company in Bengal. He left Bengal with Richard Beeher in January, 1771 He returned to Calcutta for the second time in June, 1774, and within a few months got an appointment as Secretary of the Board of Trade, which he held until 1780 He was Commercial Resident at Malda from 1780 to 1787. Cornwallis selected him to carry out the reform of the Company's Commercial Department, and before he left India in 1790 he 'had become an influential figure' Ultimately he became a Director of the Company He wrote a prejudiced treatise on the Indians, entitled *Observations on the State of Society among the Asiatic subjects of Great Britain, particularly with respect to Morals and the Means of Improving it.* It was written chiefly in the year 1792 and was presented to the Court of Directors in 1797. Ainslie Thomas Embree, *Charles Grant and British Rule in India*, 1962

introduction of Christianity and western education to change, in his view, 'a hideous state of Indian society.' To Wilberforce, 'Hindu divinities were absolute monsters of lust, injustice, wickedness and cruelty. In short, their religious system is one grand abomination.'

Of the contemporary British administrators in India, Marquess of Hastings quoted in his *Diary* on the 2nd October, 1813, on reaching Diamond Harbour on his way to Calcutta from Madras 'The Hindoo appears a being nearly limited to mere animal functions, and even in them indifferent. Their proficiency and skill in the several lines of occupation to which they are restricted, are little more than the dexterity which any animal with similar conformation, but with no higher intellect than a dog, and an elephant, or a monkey, might be supposed capable of attaining. It is enough to see this in order to have a full conviction that such a people can at no period have been more advanced to civil polity. Retrogradation from an improved condition of society never takes this course. According to the circumstances which have dissolved its government, the fragments of such a community either preserve the traces of effeminate refinement, or the rough fierceness stamped upon them by the convulsions amid which the centre of the fabric perished. Does not this display the true condition of India, and unveil the circumstances through which we have so unexpectedly and so unintentionally obtained empire here? There surely never has been an active and vigorous Hindoo population; nor are any of the bold, though rude, monuments of antiquity (as I think) ascribe to this race.' On the 2nd June, 1814, he wrote 'Every day more and more satisfies me that I formed a just estimate of those who inhabit Bengal at least.'

Some British writers and statesmen of the Liberal school, while advocating social and educational reforms at home and abroad, made biased and uncritical observations about Indian religion, society and culture. James Mill, whose *History of British India* was first published in 1818 and who was connected with Indian affairs, presents an incorrect picture of the varied phases of Hindu life and society in the first two volumes of his famous work which is otherwise of much historical importance. After describing these in his own way, he observes, 'And we have seen that a system of priestcraft built upon the most enormous and tormenting superstition that ever harassed and degraded any portion of mankind their

minds were enchained more intolerably than their bodies, in short that, despotism and priestcraft taken together, the Hindus, in mind and body, were the most enslaved portion of human race.' As a critic of this outlook of Mill, Wilson, while editing his work, wrote in his Preface to it, 'Of the proofs which may be discovered in Mr. Mills's history of the operation of preconceived notions, in confining a vigorous and active understanding to a partial and one-sided view of a great question, no instance is more remarkable than the unrelenting pertinacity with which he labours to establish the barbarism of the Hindus. With very imperfect knowledge, with materials exceedingly defective, with an implicit faith in all testimony hostile to Hindu pretensions, he has elaborated a portrait of the Hindus which has no resemblance whatever to the original, and which almost outrages humanity.'

In the territories of some enlightened local rulers the light of culture still remained comparatively bright and the village communities continued to discharge useful functions as units of rural administration and culture. To the common people religion was still a supreme source of inspiration for sacred and fruitful activities, noble feelings and high ideals, and it promoted their charitable disposition and spiritual development. By virtue, remarks Abbe de Guyon, a mid-eighteenth century writer, the Indians understood 'a certain greatness of soul which despises dangers and death, and has glory only for its object, which tramples under foot ease and the pleasure of life, which seeks after the esteem and admiration of mankind.' 'Their rules of morality,' observes Craufurd, 'are most benevolent, and hospitality and charity are not only strongly inculcated but I believe nowhere more universally practised than amongst Hindoos.' Orme refers to 'humane and gentle manners' of the Hindus who were 'charitable even to relieving the necessities of strangers.' Forbes notes the influence of religion in enabling people to display human, 'instances of self-denial, of labourious and painful exertion, which almost exceed belief.'

Religion in the sense of *Dharma* formed the very soul of Indian civilisation since the days of remote antiquity. Its influence on thought, culture and character of the people was highly potential. Hindu civilisation was not parochial or narrow in outlook. It had immense assimilative potentiality by virtue of which it embraced within its fold men of other faiths from foreign lands such as the

Greeks, the Sakas, the Gurjaras and the Huns. Though Hinduism could not completely absorb Islam in India, one of the effects of mutual contact between the two was the rise of liberal movements under some saintly preachers—Ramanand, Vallabhacarya, Caitanya, Namdeva, Kabir and Nanak—all of whom, with some differences in details, were exponents of the *Bhakti* cult. They preached the fundamental equality of all religions, unity of God and emphasised love of fellow beings and intense devotion to God as the true means of salvation.

In fact, an attitude of toleration towards other faiths and adaptation to changing environments and conditions formed two characteristic features of Hinduism even in the eighteenth century in spite of general insecurity in the country due to administrative anarchy. Many of the European writers of the eighteenth century and early nineteenth century were impressed by the prevailing spirit of religious toleration in India and there was no communal bitterness to mar the harmony amongst the common members of the different faiths. Writing in the mid-eighteenth century, Grose observed, 'As to that spirit of toleration in religion, for which the Gentoos (Hindus) are so singularly distinguished, it is doubtless owing to their fundamental tenet of it, of which the purpose is that the diversity of modes of worship is apparently agreeable to the God of the Universe; that all prayers put to him from man, are all equally acceptable and sanctified to him ...'<sup>1</sup> Referring to the south-west peninsula the Dutch traveller Stavorinus, who visited India between 1768 and 1771, remarked. 'These three distinct nations, the Moors (Muslims), the Gentoos (Hindus) and the Parsees, whose religions are wholly different from each other, exercise the greatest toleration and indulgence in this respect, towards one another, no one is molested on account of his religion.'<sup>2</sup> The small Jewish community in Malabar got no opposition from any quarter in freely following their tenets.<sup>3</sup> William Henry Tone, employed in a regiment of infantry under the Peshwas, remarked regarding Poona about 1779. 'In Poonah, which is the metropolis of the (Maratha) Empire, and the seat of Brahminical authority, there are many mosques and one Christian church, where the vota-

<sup>1</sup>Grose, *Voyage to the East Indies*, I, p. 183.

<sup>2</sup>Stavorinus, *Voyage to the East Indies*, I, p. 60

<sup>3</sup>ibid, pp. 224-25

ries of both religions may offer their devotions without any hindrance or molestation'<sup>1</sup> The famous Indologist H.H. Wilson observed in the course of an address delivered by him in 1840, 'The Brahmins who compiled a code of Hindu Law, by command of Warren Hastings, preface their performance by affirming the equal merit of every form of religious worship; contrarieties of belief, and diversities of religion, they say, are in fact part of the scheme of Providence; for as a painter gives beauty to a picture by a variety of colours or as a gardener embellishes his garden with flowers of every hue, God appointed to every tribe its own faith, and to every sect its own religion, that man might glorify Him in diverse modes, all having the same end, and being equally acceptable in His sight.'<sup>2</sup>

Beneath the ruffled surface of politics in the medieval period, there flowed a genial current of mutual harmony and toleration among the members of the Hindu and Muslim communities in other spheres of life besides religion, such as society, culture and art. The spirit of toleration found expression in the growing veneration of the Hindus for Muslim saints, specially of the mystic school, and a corresponding Muhammadan practice of venerating Hindu saints, and it had already led to the evolution of the worship of *Satyapir* (the True Saint) by Hindus and Muslims alike, which continued in this period. Quite naturally, due to long association the members of the two communities had imbibed each other's thoughts, customs and some social practices too. Muslim rulers and grandees enjoyed the *Holi* festival as Hindus joined the *Muharram* processions; some Muslims offered *Puja* in Hindu temples, as some Hindus offered *sunni* at Muhammadan mosques.<sup>3</sup> It is said that on his death-bed Mir Jafar drank a few drops of water poured in libation over the idol of Kiriteswari near Murshidabad.<sup>4</sup> There was a splendid manifestation of Hindu-Muslim rapprochement in literature. Muslim writers continued to write in vernaculars on subjects of Hindu life and tradition as Jayasi had done on Padmini in the sixteenth century, and Aloal, who flourished in Bengal during the 17th century, translated into Bengali

<sup>1</sup> *Asiatic Annual Register*, 1799, Miscellaneous Tracts, p. 125.

<sup>2</sup> H.H. Wilson, *Essays and Lectures chiefly on the Religion of the Hindus*, 1862, II, p. 82.

<sup>3</sup> D.C. Sen, *History of Bengali Language and Literature*, p. 793.

<sup>4</sup> *Siyar-ul-mutakherin*, II, p. 558.

the Hindu poem *Padmavat* (written in 1521 AD by Pīr Muḥammad) and also wrote several poems on Radha and Kṛṣṇa<sup>1</sup> as many other Muslim writers did in the eighteenth century.<sup>2</sup>

The general body of the Hindu population followed the old forms and practices of religious worship. The two ancient cults of Śiva and Viṣṇu, with many of their sub-cults which sprang up in course of time, had their followers spread over the country, the influence of the respective sects varying in different parts of it. The followers of Chaitanya formed an important religious sect in Bengal and Orissa. A minor section of them, called the *Sakhībhaṇa Vaiṣṇavas*, with their chief seat at Jangalītola in the district of Malda in Bengal, dressed like girls, assumed female names, danced in honour of God and acted as 'religious guides for some of the impure tribes.'<sup>3</sup> A few of this branch were found also at Jaipur and Banaras.<sup>4</sup> Adherents of other sects, viz., the *Ramanujis*, the *Ramanandis*, the *Kabirpanthis*, the *Nanakpanthis*, the *Radhavalḷavis*,<sup>5</sup> etc., could be found in different areas. Worship of the Sun God was very much prevalent in Bengal and Bihar<sup>6</sup> and the worshippers were called *Saṇapatas* or *Sauras*. There were also the *Ganapatyas* or worshippers of Ganeśa. The worshippers of *Sakti*, 'the power or energy of the divine nature in action, were many, and worship of the mother-goddess, Durgā, Kālī, Tārā and Mānasa was very popular in Bengal and in the eastern districts of Bihar.<sup>7</sup> There were also many Tantric worshippers in the south and the north, particularly in Mithilā and in Bengal as well in Kamrup (Assam). Their principal rules or formulae were derived from works called *Tantras*<sup>8</sup> and several *Tantra* works were written in Mithilā and Bengal during this period.

Besides the older religious sects of the early medieval period, there sprang up during the period under review some new ones.

<sup>1</sup>D C Sen, *History of Bengal Language and Literature*, pp 622-24

<sup>2</sup>K K Datta, *Bengal Subah*, I, p. 98.

<sup>3</sup>Martin, *Eastern India*, III, p. 177.

<sup>4</sup>Wilson, *A Sketch of the Religious Sects of the Hindus*, I, p 176

<sup>5</sup>Martin, *Eastern India*, I, pp 152, 198-206, II, pp 487-90, III, p 176 Also Wilson, *A Sketch of the Religious Sects of the Hindus*, I, pp 31-33

<sup>6</sup>Martin, *Eastern India*, I, p 167

<sup>7</sup>ibid, III, pp 167-68, 452-524

<sup>8</sup>Monier Williams, *Religious Thought and Life in India*, Part 1, pp 204-205, Wilson, *Essays and Lectures chiefly on the Religion of the Hindus*, II, p. 77

With very few exceptions which were either of an eclectic or monotheistic nature, the rest of the latter were *Vaishnava* sects and their founders belonged mostly to the non-Brahmanical castes. There was one feature common to nearly all these sects, viz. Guru-worship. Of these, the *Charan Dasi* sect was founded about the year 1750 by Caran Das, who was born in 1703 in the village Dehra or Dahra in Alwar. He preached the worship of Krishna and Radha, and admitted men and women of all castes as his disciples.<sup>1</sup> The chief seat of the *Charan Dasis* was at Delhi. The *Kaita Bhaja* sect was founded at the beginning of the 18th century by an ascetic named Aulechand. He preached in various parts of the district of Nadia in Bengal till his death in 1769 and had among his disciples one Ramsaran Pal of the Sadgopa caste and an inhabitant of Ghoshpara near Naihati. He made no distinction of caste and had among his followers Hindus as well as Muslims. He had ten commandments 1. Do not commit adultery 2 Steal not. 3 Kill not. 4. Have no adulterous thought 5 Do not wish for other's property. 6. Do not wish to kill 7 Do not tell an untruth 8 Do not use bad language 9. Talk not meaninglessly 10 Talk not uselessly.

The *Spashtadayaka* sect, confined to Bengal, is described to have been founded by Rupram Kaviraj, a disciple of Krishna Chandra Chakravarty of Saidabad in the Muishidabad district. The *Vaishnavas* of this sect did not admit the divinity of the Guru and its male as well as female followers lived together in the same *math* or monastery as brothers and sisters. In this sect also there was no distinction of caste and the chief marks of its followers were 'a shorter *tilaka* than that used by the other *Vaisanavas* and a single string of *tulasi-beads* worn close round the neck.'

The *Swami Narayan* sect, which originated as a protest against the corruptions of the Ballabhacharis, had its strong-hold in Gujrat. Its founder, Sahajananda Swami, was born at Chapai, a village in Oudh, in 1780 but leaving this place he went to Gujrat where by piety and sincerity he gathered a large number of followers around him. Jetalpur, twelve miles south of Ahmedabad, and Wartal, about four miles to the west of the Baroda railway station, became the famous centres of his preaching.<sup>2</sup> The *Paltu Dasi* sect was founded

<sup>1</sup>P.N. Bose, *A History of Hindu Civilisation during British Rule*, I, Chapter IV, H.H. Wilson, *A Sketch of the Religious Sects of the Hindus*, I, pp. 176-81

<sup>2</sup>Monier Williams, *Religious Thought and Life in India*, Part I, p. 149.

about the close of the 18th or at the beginning of the 19th century, and was named after Paltu Das (1757-1825), who was a disciple of an ascetic named Gobin Saheb. The proper expression of salute among the *Paltu Dasis* was '*Satya Ram*' (Rama is True) The *Apapanthu* sect came into existence at the same time as the *Paltu Dasis* and its founder was Munna Das, a goldsmith by caste His *gaddi* exists at a place called Madava, west of Oudh Another preacher of the time, Garibdas, was born in 1717 AD in a Jat family in the village Churani in the Rohtak district of the Punjab. He was deeply influenced by the ideas of Kabir, was opposed to external ceremonialism, emphasised on love and devotion of a man's inner self as the true ways of salvation and made no distinction of caste or creed. Such cosmopolitanism also characterised the followers of the *Sivanarayan Sampradaya*, whose founder Sivanarayan was born in a Rajput family at the village of Chandawan in Balha district He was a believer in pure monotheism and was strongly opposed to idolatry He and his followers laid stress on faith, purity of mind, good character, restraint, equality and fellowship as indispensable requisites for man's spiritual elevation He flourished in the reign of Muhammad Shah, was a prolific writer and eleven works in Hindi verse are ascribed to him <sup>1</sup>

Another liberal religious preacher of this period was Dariya Saheb of Bihar, a devotee of what he called '*Satyanama*' (true name) Dariya Saheb, son of Piran Shah, a Sufi thinker, was born at Dharkandha near Dumraon in the Shahabad district probably in 1700 AD and died in 1790 AD. He is said to have been influenced chiefly by the teachings of Kabir and his sect also represented the very great influence of some Sufi thought on Indian minds. It did not recognise the external formalities of religion, such as worship of idols or *avatars* or caste distinctions, and its followers strictly refrained from drinking, taking animal food, etc. Almost a contemporary of this saint of Bihar was Dariya Saheb Marwari of Marwar (1676-1758), a liberal preacher, who had followers in Rajputana <sup>2</sup>

The *Balarami* sect was founded by Balaram Hari of a very low caste and an inhabitant of the village of Meherpur in the district

<sup>1</sup>Grierson, *The Modern Vernacular Literature of Hindustan*, p. 86 Wilson, *A Sketch of the Religious Sects of the Hindus*, I, p 359.

<sup>2</sup>K M. Sen, *Bharater Madhyayuge Sadhanar Dhara*



of Nadia. Being a man of parts, he gathered round him some disciples who regarded him as an incarnation of Visnu. The *Balaramis* recognised no distinction of caste and were opposed to idolatry.

Of the two branches of the *Satnamis* sect, one flourished in northern India and the other in the Madhya Pradesh. The former was renovated in 1750 under the guidance of Jaggiwan Das, who was an inhabitant of Oudh.<sup>1</sup> He wrote several works in Hindi, the best of these, entitled *Gyan Prakash*, being composed in 1761. The creed of the *Satnamis* was a sort of pantheism and they addressed God as 'the true name' (*Satnam*). The second branch of the *Satnamis* sect flourished a few years later in Madhya Pradesh, where its followers were the Chamars of Chattisgarh. Ghasi Das, 'an unlettered and thoughtful Chamar, was deeply impressed with the degraded condition of his community, who were strongly addicted to drink and other vicious habits. He gradually acquired considerable influence by his wisdom and high moral character, and gathered round him a handful of devoted followers.'<sup>2</sup> Thus he founded the *Satnamis* sect in that area, and became its Guru. Its followers were purified of various abuses. They also protested against idolatrous practices. The Ramsanehi (Ramsnehi), an indigenous monotheistic sect, owed its origin to Ramcharan, who was born in 1719 AD at the village of Surasena in Jaipur. Because of his strong opposition to idolatry, he was subject to persecution by the Brahmanas of his village and went away to Udaipur where also he met the same fate. So he took shelter with the Raja of Sahpur. He died in 1798. He had lay as well as monastic disciples spread over western and northern India. The latter were enjoined to lead a life of celibacy and asceticism and to devote themselves to study as well as to cultivate such virtues as charity, mercy etc.

There flourished also some other religious thinkers and preachers, whose teachings marked a harmonious blending of Hindu and Muslim religious ideas and practices, and some of them were very much influenced by the liberal doctrines of Sufism. They were Yari Shah (probable date 1668-1725), a Sufi devotee, and his disciples Bullah Saheb, Sufi Shah, Sekhan Shah, Hast Muhammad Shah, Keshav Das (probable date 1693-1768), Gulab Sahab (a disciple of Bullah and originally an inhabitant of Ghazipur), Bhika (born in

<sup>1</sup>Monier Williams, *Religious Thought and Life in India*, Part I

<sup>2</sup>P N. Bose, op. cit., I, p. 118

1720 AD at Khanpur in the Azamgarh district and a disciple of Gulab Saheb), Bhika's disciple Govinda Saheb (an inhabitant of Faizabad), and Paltu Saheb who was a disciple of Govinda. All these preachers laid great emphasis on mutual love and toleration and were opposed to rituals or scripturalism.

Dedhraj, born in 1771 AD in a poor Brahman family at the village Dharsu in the Narnol district, was another important religious preacher. Followers of his sect, scattered in Jhajpur, Narno and Gurgaon, regarded God as One, All-Beautiful, Incomparable and All-Pervading. They had no faith in image worship or regard for caste rules. They recognised the equal right of men and women in religious worship and raised their voice against *purdah*. They preached common fellowship of all religions. Even in some of the devotional religious songs of Ram Prasad Sen, a devout worshipper of goddess Kali, who lived in Bengal in the eighteenth century, one gets occasional condemnation of image worship and rituals and also a note of monotheism. We read as follows in his songs:

- (a) 'O man, why are you so thought-ridden?  
Sit in meditation remembering Mother Kali.

If you worship with grandeur, you will develop pride,  
So meditate in solitude  
So that none may know.

What is the need of making idols of metal, stone or clay?  
You make an image and place it on the throne of your heart.  
What is the need of sunned rice, ripe bananas and other  
offerings?

You satisfy her with your devotion.  
What is the need of a chandelier or other illumination?  
Gems of the mind can be illuminating enough  
What is the need of sacrificing sheep, goats and buffaloes?  
You should rather sacrifice the six *Ripus* at the altar of Kali.

Prasad says that it is better  
To submit the mind to her feet  
Clapping and making shouts of *Jai Kali*  
Than to beat drums and make unnecessary noise

(b) O man, you still have your illusion.  
 You are drunk with power  
 And feel that Hari and Hara are separate,  
 You do not understand the quintessence  
 Of Brindavan and Kasidham,

You delude yourself, and are whirled  
 By the wheel of this world,

You feel the Jamna and the Ganga are separate;  
 And you fail to work understanding the significance  
 Of the sword and the flute.

Prasad says that this worship is fake—  
 This worship in uproar—  
 When you separate Krishna and Syama  
 And prove a blind man in spite of your eyes.'

Taking into considerations the existence of the various religious sects noted above H H. Wilson observed in February, 1840, 'There are several sects that have abandoned all worship of idols, that deny the efficacy of faith in any of the popular divinities, and question the reasonableness of many of the existing institutions they substitute a moral for a ceremonial code, and address their prayers to one only God . they prove that the people are not all satisfied with the superstitions of their forefathers, and that some among them are inclined to enquire, and think, and determine for themselves<sup>1</sup> The spirit of independent enquiry into the prevailing state of things was not indeed foreign to India 'The germ is native to the soil; it has been kept alive,' wrote Wilson about 1862, 'for ages under the most favourable circumstances and has been apparently more vigorous than ever during the last century.' Rammohan Roy, who appeared as the herald of a new age and a noble representative of this spirit of toleration, harmony and synthesis, effected its marvellous mingling with some of the new forces that were penetrating into India as a result of her contact with world culture and thought

<sup>1</sup>H H. Wilson, *Essays and Lectures chiefly on the Religion of the Hindus*, II, pp. 76-77.

Emphasis on rituals and ceremonies, degeneration and undue influence of the priesthood, especially at important centres of pilgrimage like Banaras<sup>1</sup> and Gaya,<sup>2</sup> growing worship of a large number of popular gods including *Gram Devatas* or *Devis* (village deities), were also some other features of Indian religious life in the eighteenth century. This is what led some of the contemporary European writers to reckon the number of Hindu gods and goddesses at more than thirty crores.<sup>3</sup> It may be true that in certain respects religion and society had become static through the operation of some uncreative forces. There is no doubt that in the course of centuries some corruptions and abuses had crept into the fold of religion; and popular belief in the efficacy of magic, witchcraft, etc. had grown. But one cannot agree with the prejudiced views of some English contemporaries like Grant<sup>4</sup> or Martyn<sup>5</sup> or the uncritical observations of most of the contemporary Christian missionaries in India about Indian religion and morals of the time. One of them went to the length of making the monstrous observation, 'All your Gods are nothing but demons you will go to hell to expiate in eternal flames the crime of your Idolatry.'<sup>6</sup> Ward wrongly remarks, 'Here everything that assumes the appearance of religion ends (if you could forget its impurity) in an unmeaning ceremony and leaves the heart as cold as death to every moral principle.'<sup>7</sup>

This is true that during the transitional years of the eighteenth century, virtual collapse of governmental authority at the centre and in the *subahs* of the moribund Mughal empire, debased character of the bulk of the nobility in and around the court, and unscrupulousness as well as inordinate greed of other sections of the aristocracy, were gnawing at the vitality of Indian civilisation. In this demoralised atmosphere, progressive and inspiring ideals for

<sup>1</sup>*Proceedings of the Indian Historical Records Commission*, IX, pp. 67-68

<sup>2</sup>Martin, *Eastern India*, I, p. 65

<sup>3</sup>Forbes, *Oriental Memoirs*, I, p. 213

<sup>4</sup>Sir Charles Grant, who after serving in the commercial branch of the Company during 1773-1793, became subsequently a Director of the Company. In 1797 he submitted to the Court of Directors a prejudiced report which he had prepared in 1792.

<sup>5</sup>Smith, *Life of Henry Martyn*, p. 163

<sup>6</sup>Dubois, *Letters on the State of Christianity*, p. 16.

<sup>7</sup>Ward, *A View of the History, Literature and Religion of the Hindoos*, II, Introduction, LX-LXIII

elevation of the moral and intellectual standards of the people were for the most part receding into the background so far as these circles were concerned. It was fortunately in the territories of some enlightened local rulers<sup>1</sup> that the light of culture still remained comparatively bright and the village communities retained much of their old usefulness as units of rural administration and culture.<sup>2</sup> It is also to be noted that religion was still a supreme source of inspiration to the common people for wholesome activities. It inspired many of them with noble feelings and high ideals, and promoted their spiritual growth and charitable disposition. By virtue, remarks Abbe de Guyon, the Indians understood 'a certain greatness of soul which despises dangers and death, and has glory only for its object; which tramples under foot ease and the pleasures of life, which seeks after the esteem and admiration of mankind.'<sup>3</sup> 'Their rules of morality,' observes Craufurd, 'are most benevolent, and hospitality and charity are not only strongly inculcated but I believe nowhere more universally practised than amongst Hindoos'<sup>4</sup> Orme refers to 'humane and gentle manners' of the Hindus who were 'charitable even to relieving the necessities of strangers'<sup>5</sup> Forbes notes the influence of religion in enabling people to display human 'instances of self-denial, of labourious and painful exertion, which almost exceed belief'<sup>6</sup>

In the eighteenth century, India was being tormented by the baneful effects of quickly succeeding political revolutions. Political disintegration, and lack of sound governance, naturally condemned it to a pathetic economic decline and social anarchy. The rulers were sluggards, backboneless and devoid of the strength of character politics was utterly vitiated, the nobles, particularly those in and around the courts, were debased, selfish and intriguing, and there was no dearth of unscrupulous adventurers who sought to aggrandise themselves in various ways at the cost of the

<sup>1</sup>Graufurd, *Sketches chiefly relating to the History, Religion, etc, of the Hindus*, pp 89-90, M Elphinstone, *Report on the Territories lately conquered from the Paishwa*, p 91.

<sup>2</sup>Malcolm, *Memoir of Central India*, I, p 553, M Elphinstone, *Report on the Territories lately conquered from the Paishwa*, pp. 20-21

<sup>3</sup>Abbe de Guyon, *A New History of the East Indies*, I, p. 53

<sup>4</sup>Craufurd, *Sketches chiefly relating to the History, Religion etc of the Hindus*, I, p, 147

<sup>5</sup>Orme, *Historical Fragments of the Moghul Empire etc.*, p 431

<sup>6</sup>Forbes, *Oriental Memoirs*, I, p 139.

common folk All this contributed to make the situation gloomy. But there is a silver lining to every cloud The trends of thought and ideals of the religious preachers, mentioned above, indubitably show that there was an inner urge in the minds of many, not contaminated by debased politics or court influence, for spiritual uplift and realisation of truth. These might very well be regarded as presages of the Indian Reformation Movements of the 19th century, each of which in its turn sought to unfold the best in Indian culture under the leadership of Rammohan Roy, Dayanand, Ramakrishna and Vivekananda

## Education

State of education in a country is indeed one of the chief factors which mould its civilisation. The influence of the new education and culture of the West, which penetrated into this country in successive stages from the second and third decades of the 19th century, on Indian thought and culture has been no doubt revolutionary. The new India is to a very large extent the product of the new education. It is, however, interesting and instructive to know what exactly was the condition of education in this vast country at a time when India began to experience the impact not only of political imperialism and new-born industrialism of the West, but also of her culture.

The first point that strikes one in this respect is that, as in other phases of social life, education had retained many of the traditional features of the preceding few centuries. The famous centres of learning that flourished in ancient India at Takṣaśīla in the north-west, Nālanda, Vikramśīla and Odantapuri in Bihar, Jagaddal in north Bengal, Vallabhi in Kathiāwar and Kanchi in the South had long ceased to exist, and Islamic education began to spread under the patronage of rulers and nobles. Still the millions of Hindu population continued to receive education in their other time-honoured institutions, and with the growth of vernacular literatures, their study came to be combined with that of classical works both in the urban and rural areas. 'There is no country,' wrote Thomas justly in the closing years of the last century, 'where the love of learning had so early an origin or has exercised so lasting and powerful an influence. From the simple poets of the Vedic age to the Bengali philosopher of the present day there has been an uninterrupted succession of teachers and scholars.'<sup>1</sup> Sir William Jones, who had vast erudition and genuine love for classical lore of India, des-

<sup>1</sup>F.W. Thomas, *The History and Prospects of British Education in India*, London, 1891, p. 1.

cribed this country as 'a noble amphitheatre . . . which has ever been esteemed the nurse of sciences, the inventress of delightful and useful arts, the scene of glorious actions, fertile in the production of human genius, abounding in natural wonders and infinitely diversified in the forms of religion and government, in the laws, manners and customs and languages, as well as the features and complexions of men' India was not indeed steeped in the darkness of ignorance in pre-British days

The old University education on organised scale had disappeared under various adverse influences of the later periods, and the State as such did not evolve any system of education under its control. Men indirectly helped the cause of education out of humanitarian considerations. Education depended in fact upon patronage of individual members of the ruling class or of the aristocracy, and initiative as well voluntary efforts of persons of benevolent and pious disposition of other sections of the population <sup>1</sup>

The celebrated lady-ruler, Rani Bhavani of Natore, and Raja Krsna Chandra of Nadia were great patrons of learning in their respective areas. As late as 1834-35 William Adam noticed in the district of Rajsahi that 'even in a single thana, there are materials for a Hindu University in which all branches of Sanskrit learning might be taught' <sup>2</sup> To promote Sanskrit learning in his jurisdiction, Maharaja Krsna Chandra arranged for payment of a monthly allowance of Rs 200 each to the scholars who would come for study in the *tols* or institutions for such learning at Nadia <sup>3</sup> Buchanan makes the following estimate about the Raja of Darbhanga in this respect, 'The Darbhanga Raja, being himself a Brahmin of very high birth, pays some attention to the education of the Pandit on his estates. When any man, therefore, has finished his education and wishes to assume the title of Pandit, the assembly is held before the Raja, who, when the new name is conferred, gives a dress and places a mark on the forehead of the candidate.'<sup>4</sup> The cause of learning received encouragement under the Peshwas. They paid rewards and donations to Brahmins, 'whose proficiency in science and mythology entitled them to distinction,' and the 'rewards were

<sup>1</sup>K K Datta, *Bengal Subah*, I, pp 1-2

<sup>2</sup>*Reports of William Adam on the State of Education in Bengal* edited by Shri Anathnath Basu, p. 169.

<sup>3</sup>*Calcutta Review*, IV, 1872, pp. 103-4

<sup>4</sup>Martin, *Eastern India*, III, p 134



conferred in proportion to the requirements, moral conduct and sanctity.<sup>1</sup> In 1823 in the Madras Presidency 12,498 schools were 'supported partly by the endowment of Native Princes, but chiefly by the voluntary contributions of the people'<sup>2</sup>

In Bengal, the gradual decay of higher Sanskrit education was ascribed by some contemporaries to the decline in the fortunes of the old territorial aristocracy as a sequel to the immediate effects of the Permanent Settlement. In his *Minute* on Sanskrit Colleges in Tirhut and Nadia, dated the 6th March, 1811, Lord Minto observed 'The principal cause of the present neglected state of literature in India is to be traced to the want of that encouragement which was formerly afforded to it by princes, chieftains and individuals under the native government. Such a review would bring before us the liberal patronage which was formerly bestowed not only by princes and others in power and authority but also by the Zamindars or persons who had distinguished themselves by the successful cultivation of letters at those places'. While referring to the gradual decline of higher Sanskrit learning in the district of Rajsahi in Bengal, Adam wrote in 1835: 'The diminution is attributed to the breaking up of the great zemindaries and the withdrawal of the support which their owners gave to the cause of learning and of the endowment which they established'<sup>3</sup>

The institutions for higher Sanskrit learning (known as *Chatuspathis* or *tols* in Bengal and Bihar) were maintained at different places and in the various parts of the country such as Dravida (South India), Kasi (Banaras), Tirhut (Tirabhukti or Mithila), Vanga (Bengal), Utkala (Orissa). In Bengal, Nadia, described by a modern writer as 'the Oxford of the province',<sup>4</sup> was the pre-eminent centre of higher education in Sanskrit. Nadia was 'the focus of intellectual development, the land of the Nayayikas, who reasoned and argued on every conceivable topic, the abode of astronomers whose *panjikas* and almanacs still regulate the festivals and Pujas and the daily domestic concerns of the Hindus'<sup>5</sup>. The local Zamindar, Maharaja

<sup>1</sup>Duff, *History of the Mahattas*, III, p. 499.

<sup>2</sup>Minute of the Governor-General, dated the 20th January, 1835, Munro's Minute on Native Education, dated 10th March 1826, Gleig, *Life of Sir Thomas Munro*, II, Appendix XII.

<sup>3</sup>Adam's Reports, p. 183

<sup>4</sup>Calcutta Review, 1872, IV, p. 97

<sup>5</sup>ibid.

Krsna Chandra, took much interest in art and literature, and his court was adorned by a large number of intellectual luminaries, proficient in varied branches of learning Ward, writing about 1818 AD, mentions 31 institutions at Nadia for higher Sanskrit learning with the total numerical strength of 747 students H. H. Wilson estimated in 1829 that there were then at Nadia 25 Sanskrit schools with about 500 or 600 pupils According to Ward's calculation there were 28 such institutions in the city of Calcutta with 173 students. He also mentions some important centres of Sanskrit learning<sup>1</sup> near Calcutta In the Hugli district, there were 12 or 14 institutions teaching Nyaya exclusively at Bansberia 7 or 8 such institutions at Tribeni, Kurmarhatta, and Bhatpara, 10 each at Gondalpara and Bhadreswar, 17 or 18 each at Jaynagar and Majilpur, 10 or 12 at Andula and 2, 3 or 4 at Bali and several other neighbouring towns About the year 1830 there were in Bengal, according to Adam, 10,800 students devoted to Sanskrit studies and about 1800 teachers Buchanan mentions 79 *Adhyapakas* or Professors of Sanskrit in the district of Purnea,<sup>2</sup> teaching different branches of knowledge, and 34 in the district of Dinajpur<sup>3</sup> In the districts of Behar and Patna, he heard of 56 teachers of high calibre, proficient in grammar, law and metaphysics, from the Pandit who assisted him in his survey work<sup>4</sup> In the district of Shahabad he knew of 25 such teachers through the same source<sup>5</sup> In the Bhagalpur district, the number of such teachers was only fourteen.<sup>6</sup> In Tirhut, as Buchanan notes, 'there were many teachers of very high celebrity'<sup>7</sup> Besides these teachers of the higher branches of Sanskrit learning, like Literature, Law, Metaphysics and Philosophy, there were many Pandits, who engaged themselves in the teaching of the subsidiary subjects, such as medicine, astrology, mythology, etc

Banaras, described by Bernier in the 17th century as 'the Athens of India,' continued to be the most celebrated centre of Sanskrit learning in the country<sup>8</sup> Some of the eighteenth century European

<sup>1</sup>Ward, *A View of the History, Religion and Literature of the Hindoos*, I, p. 594

<sup>2</sup>*Purnea Report*, p. 176

<sup>3</sup>Martin, *Eastern India*, III, p. 505.

<sup>4</sup>*Patna-Gaya Report*, I, p. 298.

<sup>5</sup>*Shahabad Report*, p. 173.

<sup>6</sup>*Bhagalpur Report*, p. 202

<sup>7</sup>Martin, *Eastern India*, III, p. 136.

<sup>8</sup>Twining, *Travels in India A Hundred Years Ago*, p. 340

travellers were highly impressed with the state of Hindu learning in this city, where they also observed standing among other institutions a famous astronomical observatory built under the orders of Raja Jai Singh,<sup>1</sup> who has to his credit the construction at this time of the famous astronomical observatory at Jaipur.

From contemporary literature,<sup>2</sup> and old accounts like those of Buchanan and Adam, we get an idea of the institutions and the full curriculum of study for Sanskrit education. In Bengal there were usually three types of institutions—(1) one for the study of grammar, general literature, rhetoric and mythology, (2) one for law and for mythology in some and (3) one for Nyaya (logic). The curriculum included grammar, lexicology, general literature (poetry, drama) and rhetoric. For 'knowledge of language as an instrument for the communication of ideas,'<sup>3</sup> emphasis was first laid on the study of grammar, on which there were 'the most extensive and profound treatises'<sup>4</sup> in the Sanskrit language (viz., *Panini*, *Kalapa*, *Mugdhobodha* and *Ratnamala* and *Sanksiptasara* with commentaries on them by different authors). Along with the study of grammar students were required to commit to memory words and their meaning from their teachers. The work used for lexicology was *Amar Kosa* by Amar Sinha, with the commentary of Raghunath Cakravarty. This was followed by the study of poetry and drama on which the most important works were *Bhattacharyya*, *Raghuvaṣam*, *Sisupalabhadham*, *Naishadha*, Bharavi's *Kiṭatarjunyam* and the immortal drama *Sakuntala* of ancient India's greatest writer Kalidasa. The course then provided for study of rhetoric and prosody, and the texts commonly used for this branch were *Chando Manayan*, *Kavya Candrika*, *Sahitya Daroan*, *Kavya Prakas* and some other similar works. From the point of dignity, law formed the next higher branch of study. For this the standard works used were the *Dayabhaga* and the *Mitaksara* and some minor treatises such as the *Prachin Smriti*, written by Sulpani, a Brahman of Jessore in Bengal, and *Sradha Ciutamam* by Vacaspati Misra of Mithila.<sup>5</sup> The work most valued for study of law was the compilation of the writer Raghunandan of Nadia, comprising 28 books. Nyaya was the highest branch of study in the whole course, and Bengal was specially noted

<sup>1</sup>George Forster, *Journey from Bengal to England*, I, p. 49.

<sup>2</sup>K.K. Datta, *Bengal Subah*, I, Chapter I.

<sup>3</sup>Adam's Reports, p. 176

<sup>4</sup>ibid.

<sup>5</sup>Martin, *Eastern India*, II, pp. 716-17.

for it 'Metaphysics or the Nyaya Sastro,' writes Buchanan, 'are the glory of the Pandits of Bengal and are nowhere in India so much studied.'<sup>1</sup> Besides the three principal categories of institutions noted above, there were some for the teaching of other branches of knowledge, such as medicine, philosophy, mythology, astrology and *tantva*. It is true that study of most of these subjects was chiefly the concern of the Brahmans. But it was open also to other respectable castes like the *Vaidyas* and the *Kayasthas* in Bengal.<sup>2</sup>

There is no doubt that the closing years of the eighteenth century and the early ones of the nineteenth formed a period of dynamic changes in human history in which reorientation of outlook by conservation of the results of recent human knowledge and experiences had become necessary for onward march. It was this conviction which prompted Ram Mohan Roy to strongly advocate English education for India. But it would be far from truth to say that Sanskrit learning was 'a stock of chicane' as Buchanan believed,<sup>3</sup> nor it was 'utterly frivolous or useless or worse' as a writer wrongly expressed in 1844.<sup>4</sup> The Court of Directors were not fair in writing that a 'great deal' of it was frivolous, not a little of it was purely mischievous and a small remainder indeed in which utility was in any way concerned.<sup>5</sup> Such views were due to lack of proper understanding of the vast stock of knowledge which Sanskrit literature in its varied branches had carried from the classical days of remote antiquity through all the changes of the succeeding centuries. With his experience after a comprehensive survey of the state of education in Bengal, Mr. Adam remarked, 'The humbleness and simplicity of their (teachers of the Sanskrit schools) characters, their dwellings, and their apparel, forcibly contrast with the extent of their acquirements and the refinement of their feelings.'<sup>6</sup> He further observed: 'The teachers and students of Sanskrit schools constitute the cultivated intellect of the Hindu people, and they command that respect and exert that influence which cultivated intellect always enjoys...'<sup>7</sup>

<sup>1</sup>Martin, *Eastern India*, II, pp. 716-17

<sup>2</sup>ibid, p. 715, *Adam's Reports*, p. 113

<sup>3</sup>Martin, *Eastern India*, II, p. 104

<sup>4</sup>*Calcutta Review*, 1844, II, p. 355.

<sup>5</sup>*Letter from the Court of Directors*, 18th February, 1824 quoted in *Sharp Selection from Educational Records* Part I, pp. 91-93

<sup>6</sup>*Adam's Reports*, pp. 169-70.

<sup>7</sup>ibid, p. 274

In continuation he added that 'so long as the (Sanskrit) language shall exist, the literature it contains will constitute one of the most precious remains of antiquity connecting itself by links clearly perceptible, but not yet fully traced, with the history of almost every people of Western Asia and of Europe, and so long as the Hindus shall exist as a distinct people, they will derive some of their most inspiring associations and influences from the great literary monuments which belong to their race, and which the progress of time will render more venerable, even when from the progress of improvement they may cease to be regarded as sacred.'<sup>1</sup>

Sanskrit learning indeed appealed marvellously to some other contemporary Europeans. Referring to the institutions for higher Sanskrit education at Banaras and other places in India, Forbes observed 'We contemplate the Hindoo colleges and Brahminical seminaries, at Benares and different parts of Hindostan, with pleasure; they are useful institutions, and however limited in their benefits to particular castes and descriptions of people, they are the nurses of literature, medicine and science as far as is deemed necessary among the Hindoos'<sup>2</sup> Father Pons a Jesuit missionary in the Carnatic, refers to the 'academics' for Sanskrit learning there in eulogistic terms.<sup>3</sup> Dow described Sanskrit language as 'the grand repository of the religion, philosophy and history of the Hindoos.'<sup>4</sup> Highly impressed with the Sanskrit language, Sir William Jones considered it to be of 'wonderful structure, more perfect than the Greek, more copious than the Latin and more exquisitely refined than either.'<sup>5</sup> It was significantly noted by an Englishman in 1845: 'What Rousseau and his coadjutors achieved by the emancipation of original genius, for the literary republics of the West, the European adventurers on the plains of India found achieved for them by the poets and sages of that gorgeous land When the portals, which for unknown centuries had guarded the entrance to these flowery realms were thrown wide open, it seemed like the revealing of new gardens of delight, the discovery of new and glorious worlds. It seemed as if the fountains of the great deep of an unfathomable antiquity had

<sup>1</sup>Adam's Reports, p. 275

<sup>2</sup>Forbes, *Oriental Memoirs*, II, pp 233-34

<sup>3</sup>Dubois, *Hindu Manners, Customs, and Ceremonies*, p 3770. Dubois was not favourably impressed with these

<sup>4</sup>Dow, *The History of Hindostan*, I, p. XXI.

<sup>5</sup>*Calcutta Review*, 1845, p 264.

been broken up, disclosing pearls of inestimable value<sup>1</sup> Genuine appreciation of India's ancient lore and sincere devotion to its study on the part of European scholars like Charles Wilkins, Sir William Jones, Horace Hayman Wilson, Henry Thomas Colebrooke. James Prinsep and several others generated an urge for the discovery of India's glorious past which proved to be one of the most stimulating factors for modern India's cultural renaissance<sup>2</sup> The establishment of the Asiatic Society of Bengal in January, 1784, and the starting of the Bombay Branch of the Royal Asiatic Society in November, 1804, were important events in the history of revealing India's past.

Persian education was in a flourishing condition The Muslim rulers and grandees naturally patronised<sup>3</sup> it in various ways. For the Muslim population Persian was the most important medium for higher education. In view of its importance as official language for many years, the Hindus learnt it as a matter of practical necessity The famous mid-eighteenth century Bengali poet, Bharat Candra, acquired a good knowledge of Persian, and Raja Navakrishna of Shobhabazar (in Calcutta) was Persian tutor to Warren Hastings in 1750 AD<sup>4</sup> Ghulam Husain, the author to *Siyar-ul-Mutakherin*, remarks that 'Raja Kyretchand, having some knowledge of grammar and syntax, wrote Persian more correctly and elegantly than falls to the lot of Gentoos (Hindus)'<sup>5</sup>. In the five districts visited by Adam, the number of Hindu scholars in Persian schools exceeded that of the Musalman pupils, the former being 2096 and the latter only 1,558<sup>6</sup> Referring to Bengal and Bihar in the early nineteenth century Buchanan writes that the schools for Persian education were 'nearly as much frequented by Hindus as by Muhammadans, for the Persian language is considered as a necessary accomplishment for every gentleman, and it is absolutely necessary for those who wish to acquire fortune in the courts of law.'<sup>7</sup> In Bihar, Hindus acquiring good knowledge of Persian were called Munsis<sup>8</sup> The practice

<sup>1</sup>Calcutta Review, p. 229

<sup>2</sup>K K. Datta, *Dawn of Renascent India*, Chapter IV

<sup>3</sup>The *Siyar-ul-Mutakherin* contains a list of scholars who flourished in the courts of Alivardi and Safdar Jang in Bengal and Oudh respectively

<sup>4</sup>K K. Datta, *Bengal Subah*, I, pp. 17-19.

<sup>5</sup>*Siyar-ul-Mutakherin* (English translation), II, p. 114 Kyretchand was the son of Rayrayan Alam Chand.

<sup>6</sup>Adam's Reports, p. 293

<sup>7</sup>Martin, *Eastern India*, II, p. 710

<sup>8</sup>ibid, I, p. 132

of the Hindus studying Persian continued particularly in the Punjab, U P. and Bihar till recent times and has not completely died out even now

Azīmabad (Patna) was a premier centre of Persian education in Bengal and Bihar Ghulam Husain writes that there 'were in those times at Azīmabad number of persons who loved science and learning and employed themselves in teaching and in being taught, and I remember to have seen in that city and its environs nine or ten Professors of repute and three or four hundred students and disciples from whence may be conjectured the number of those that must have been in the great towns or the retired districts Among those that flourished in the town of Behar the Qāzī Ghulam Muzaffar, better known under the title of Muzaffar Ali Khan, was personally known to Alivardi, who appointed him to the office of supreme judge of Murshidabad'<sup>1</sup> It was at this time that a number of scholars, well versed in Persian, came to India from Iran and settled particularly in Bihar and Patna<sup>2</sup> Jaunpur was an important seat of Persian education, where 'the high road of learning' was still open In fact, for higher education of the Muslims in Persian and Arabic there were *madrasas* in different parts of the country

Institutions for elementary vernacular education, distinct from those meant for higher Sanskrit and Persian education, were widespread in the urban as well as rural areas, and a sort of primary education was encouraged in almost every stratum of society. Referring to Bengal in the mid-eighteenth century Edward Ives, a contemporary traveller, wrote that there were 'many schools for the education of children'<sup>3</sup> Craufurd noted a few years later 'There are schools in all the towns and principal villages'<sup>4</sup> 'Almost all the larger villages in Bengal contain common schools,' wrote Ward<sup>5</sup> in the early nineteenth century. As regards Central India, Malcolm observed after a few years 'Though there is not one public place of instruction endowed or supported by any State in this country, yet private schools, both in the towns and villages, are numerous.'<sup>6</sup> According to his estimate every village containing

<sup>1</sup>*Siyar-ul-Mutakherin* (English translation), II, p. 175

<sup>2</sup>*ibid*, pp. 175-76

<sup>3</sup>Ives' *Voyage to India*, p. 29

<sup>4</sup>Craufurd, *Sketches etc. of the Hindus*, II, pp. 12-13.

<sup>5</sup>Ward, *History of the Hindoos*, I, p. 119.

<sup>6</sup>Malcolm, *Memoir of Central India*, II, p. 190





average 'monthly professional income' of the vernacular teachers of Bengal and Bihar was from three to four rupees. The rate was about the same in Central India.<sup>1</sup> In South India, it was not more than six or seven rupees a month.<sup>2</sup> But they had additional sources of income in the shape of presents of food-stuffs, cloths, etc. during annual festivals or other sacred occasions. In some parts of India instruction of the people was provided for 'by a certain charge upon the produce of the soil, and by other endowments in favour of the village teachers,' who were 'thereby rendered public servants of the community.'<sup>3</sup> One gratifying feature was that the teachers enjoyed great social prestige in view of the importance of their work. Malcolm remarks, 'The town school-master is held in great respect, and has often an annual festival celebrated in his honour at the town, when he goes through the streets in procession with his pupils, and a collection is made from him.'<sup>4</sup> Munificent rewards were sometimes given to scholars for special work.<sup>5</sup>

India has a brilliant tradition of cultured womanhood. The writer of the article on *Native Female Education* in the *Calcutta Review* of 1855 was right in noting that the 'practices of close seclusion, and of non-education, are an innovation upon the proper Hindu system.'<sup>6</sup> The Auxiliary Committee of the Indian Statutory Commission expressed justly in 1929 that 'there is nothing inherent either in the Hindu or in the Muslim religion which militates against the education of women. In fact there were in India even in early days many examples of women possessing wide knowledge, particularly of sacred and classical literature.' Notwithstanding the various changes in politics and society with the march of time, the tradition survived till late in the 18th century and the early years of the 19th century. It is true that the percentage of female literacy was extremely low, as it continued to be in later days, and no separate institutions existed for girls' education. But in the urban centres as well as in the distant rural areas there flourished female poets and writers who can be well regarded as worthy predecessors of their more educated sisters of

<sup>1</sup>Malcolm, *Memoir of Central India*, II, p. 192.

<sup>2</sup>*Minute of Munro*, 10th March, 1826

<sup>3</sup>Sharp, op. cit., I, p. 23.

<sup>4</sup>Malcolm, *Memoir of Central India*, II, p. 192.

<sup>5</sup>K.K. Datta, *Bengal Subah*, I, pp. 2-3.

<sup>6</sup>*Calcutta Review*, 1855, July-December, p. 64.

later generations For ladies of respectable families study of classical or vernacular religious literature was a pious recreation. Many lady followers of Vaishnavism in Bengal were well conversant with literature relating to their cult Some of them possessed knowledge of Sanskrit too and worked as religious preachers The first disciple of Caran Das, founder of the *Caran Das sect* (mid-eighteenth century), was his own sister Sahaja Bai, who wrote several works 'both independently and in conjunction with her brother'<sup>1</sup> Daya Bai, another female relation and disciple of Caran Das, was also well read and authoress of two famous works<sup>2</sup> Anandamayī, niece of poet Jayanarayan, was herself a poetess of repute and composed a work entitled *Harīhla* in 1772 along with her uncle.<sup>3</sup>

Girls of rich families were given education also out of secular considerations, chiefly for management of estates Ahalya Bai of Indore and Rani Bhavani of Natore are striking examples of this practice, which prevailed in such opulent families as those of Raja Navakrishna of Sobhabazar (Calcutta), Raja Radhakanta Dev of Calcutta and some others<sup>4</sup> Buchanan writes that at Patna, Gaya and Bihar, a few women of the *Brahman*, *Khatri* and *Kayastha* castes were able to read and write,<sup>5</sup> and in the Purnea district he heard of 20 women who were able to correspond in the local dialect of that area<sup>6</sup> Referring to Bengal, Adam wrote that the Zamindars 'in general instruct their daughters in the elements of knowledge They hope to marry their daughters into families of wealth and property, and they perceive that, without a knowledge of writing and accounts, their daughters will, in the event of widowhood, be incompetent to the management of their deceased husbands, estates'.<sup>7</sup> A Bengali newspaper noted in 1822: 'At the present time there are many educated ladies in different places; in this famous city of Calcutta there are many fortunate men having educated wives Even to-day many educated ladies are to be found in Karnat. Maharashtra Dravida, Tailanga and other

<sup>1</sup>P N Bose, op cit, I, p 107

<sup>2</sup>K.M Sen, *Bharatiya Madhya Yuge Sadhanar Dhara*, pp 108-9

<sup>3</sup>K.K Datta, *Bengal Subah*, pp. 25-26

<sup>4</sup>Ward, *History etc of the Hindoos*, I, p 559

<sup>5</sup>Martin, *Eastern India*, I, p 132

<sup>6</sup>Purnea Report, p. 172.

<sup>7</sup>Adam's Reports, pp. 187-89

places; some women transact affairs of their estates, and at Benares there are many of them who can talk in Sanskrit.<sup>1</sup> 'A few years ago,' wrote Ward in 1818, 'there lived at Benares a female philosopher named Hati Vidyalkar<sup>2</sup> . . . Here she pursued learning afresh, and after acquiring some knowledge of the law books and other Shastras (*Sastras*), she began to instruct others, and obtained a number of pupils, so that she was universally known by the name of Hati Vidyalkar, viz. ornamented with learning'' The cause of female education in India received subsequently some impetus through the efforts of the Christian missionaries, certain measures of the Government, and the enterprises of the various reformed social groups and other associations like the *Bramho Samaj*, the *Prarthana Samaj*, the *Arya Samaj*, and the *Servants of India Society*. But illiteracy of women is still a phenomenal problem in India

<sup>1</sup>B.N. Banerjee, *Sambadpatre Sekaler Katha*, Part I, p. 8.

<sup>2</sup>She came to Banaras from Bengal as a widow.

<sup>3</sup>Ward, *History etc. of the Hindoos*, I, p. 599.

## Social Life

The Eighteenth century was a period of transition in Indian History, politically as well as economically. It was also marked by growing social insecurity and demoralisation, prejudicial to the interests of the people. It was during the later years of this century that new forces, destined to transform ultimately every stratum of Indian society, began to penetrate slowly into this country. But the social structure in general was marked by the traditional features and some new ones added to these age after age according to the special environments or influences of each. Some of these may have become decadent and static with the march of time, and the evils caused by the disorder and confusion of the eighteenth century were no doubt gnawing at the vitality of our culture. But it is not fair to heap condemnations on the entire social life, and one cannot agree with the prejudiced views of some non-Indian contemporaries like Grant<sup>1</sup> or Martyn<sup>2</sup> or the uncritical observations of most of the contemporary Christian missionaries<sup>3</sup> in India about Indian religion and morals of the time. With all the abuses produced in the country by the anarchy of the eighteenth century, Indian social life had not become so much vitiated or impure as would appear from the accounts of many of the contemporary foreign writers. Some of them, however, who were intimately connected with Indian administration of the Company, had comparatively favourable impression about it. Malcolm,<sup>4</sup> with his experience of Indian affairs, remarked in his *Notes of Instructions* in 1821 to Assistants and Officers acting under him, 'I do not know the example of any great population, in similar circumstances, preserving, through such a period of

<sup>1</sup>Sir Charles Grant

<sup>2</sup>Smith, *Life of Henry Martin*, p. 163

<sup>3</sup>Dubbois, *Letters on the State of Christianity*, p. 16

<sup>4</sup>Malcolm, *Memoir of Central India*, II, p. 440

changes and tyrannical rule, so much virtue and so many good qualities as are to be found in a great proportion of the inhabitants of this country. This is to be accounted for, in some degree, by the institutions of the Hindu, particularly that of Caste, which appears to have raised them to their present rank in human society, at a very remote period; but it has certainly tended to keep them stationary at that point of civil order to which they were thus early advanced. With a just admiration of the effects of many of their institutions, particularly those parts of them which cause in vast classes not merely an absence of the common vices of theft, drunkenness, and violence, but preserve all the virtuous ties of family and kindered relations, we must all deplore some of their usages and weak superstitions; but what individuals or what races of men are without great and manifold errors and imperfections, and what mind that is not fortified with ignorance or pride can, on such grounds, come to severe judgment against a people like that of India. 'Having lived twentythree years in India, and passed much of that time in intimate intercourse with various natives,' R. Rickards wrote<sup>1</sup>:

'I have constantly seen, in their acts and conduct, the practice of the most amiable virtues. I have experienced, from many, the most grateful attachment. I believe them capable of all the qualities that can adorn the human mind; and though I allow many of their imputed faults, (where is the individual or the nation without them? I must still ascribe those faults more to the rigour of the despotisms under which they have so long groaned, and which unhappily we have but slenderly alleviated, than to natural depravity of disposition, or to any institutions peculiar to themselves.'

The most striking feature of the complex Hindu society continued to be the institution of caste. Besides the principal castes, there were ramifications of sub-castes varying in number and nature in different localities. The caste rules were rigid, and inter-caste marital connections were not permissible. For an illicit sexual connection of a woman with a man belonging to a different caste she was excommunicated from her own, and even the castes regarded as 'altogether vile' rigidly observed this rule.<sup>2</sup> Inter-dining among

<sup>1</sup>R. Rickards, *India or Facts submitted to Illustrate the Character and Condition of the Native inhabitants*, 1829, p. 3.

<sup>2</sup>Buchanan, *Patna-Gaya Report*, I, p. 347. Buchanan, *4 Journey from Madras through the countries of Mysore, Canara and Malabar*, II, pp. 24-25. 27-2 : 120, 127-129, 154, 177; III, pp. 22, 184.

members of different castes was uncommon and those of higher castes did not take food cooked, or in some cases touched, by others belonging to lower castes. There were exceptions here and there about certain kinds of food. The Brahmins in the eastern parts of U.P. did not object to taking as Buchanan notes, any thing 'fried in ghee even by the hands of a Sudra, provided he is of pure birth.' The Rajputs, Vaishyas, Kayasthas, Ahirs, etc., in the north took from shops sweetmeats and grains fried in oil. Observance of dietary restrictions, according to caste gradations, was insisted on, and contemporary European writers have emphasised it in their accounts of Indian life. Wilks, for example, observes: 'To the question of what is the difference between such and such a caste, the first answer will certainly be to indicate what they respectively can and cannot eat'.<sup>1</sup> Use of meat and intoxicating liquors was not as a rule permissible for the Brahmins; there were, however, occasional lapses from strict adherence to this restriction, particularly in towns.<sup>2</sup>

Caste had much influence in determining the vocational professions of men.<sup>3</sup> 'In general, it is remarked,' writes Edward Ives, 'that whatever be the trade of the father, the same is that of the son; so that the families of boatmen, fishermen, etc., are boatmen and fishermen to all generations.'<sup>4</sup> Notwithstanding its various drawbacks the caste system helped specialisation in arts and industries.<sup>5</sup> Probably due to the rapid administrative and economic changes in the country since the middle of the eighteenth century, professional arrangements strictly on caste groups were becoming gradually loose within certain limits. Not to speak of the Maratha Brahmins, the Brahmins in other parts were taking much share in administrative and military affairs and the Rajputs were engaging themselves in business, but those born in higher classes did not yet undertake any work meant for the people of the lower castes, particularly the Sudras. 'Many Brahmins are employed,' notes Ward, 'by Europeans and rich Hindoos, the Hindu rajas still maintain a number, others are employed in the courts of justice: many are em-

<sup>1</sup>Wilks, *Historical Sketches of the South of India*, I, p. 505.

<sup>2</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, pp. 283-84.

<sup>3</sup>ibid, p. 29.

<sup>4</sup>Ives' *Voyage*, p. 26

<sup>5</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 34, Stavorinus, *Voyage*, etc., I, p. 411, Scrafton, *Reflections on the Government of Indostan*, p. 10.

ployed as *pundits* to Europeans; other pursue a mereantile life; while a number become farmers employing *shoodrus* (Sudras) to cultivate their fields, that they may avoid the sin of killing insects with the plough-share, others are drapers, shop-keepers, etc.<sup>1</sup> Referring to the growing laxity in caste-professions, Buchanan writes 'All proper Hindus regret, that in these days no caste adheres to its proper duties, but many persons, in order to procure a subsistence, betake themselves to professions, for which they were not originally intended.'<sup>2</sup> He notes that of the whole stock of Brahmin population in Mithila only 10 p.c. were engaged in literary activities only and rejected service, about 68 p.c. possessed lands and looked after agriculture, about 10 p.c. carried business or worked under Zamindars and the rest followed priestly profession or copied sacred books for sale<sup>3</sup>

Social precedence was determined by caste superiority, the Brahmins occupying the highest position in all parts, though there were variations in the ranks of castes or sub-castes in different localities. Those belonging to higher ranks naturally enjoyed certain privileges to which the others in the lower ones were not entitled. In south India, there were bitter wrangles for privileges between two groups of non-Brahmin castes, the right hand (Ballagari) and the left hand (Eddagari). To the former group belonged most of the higher Sudra castes, and some low Sudra castes, the latter comprised the trading classes, the artisan classes and some of the lower Sudra castes<sup>4</sup>

There was well regulated caste polity for due enforcement of caste rules over individuals and maintenance of effective social control over them, Abbe Dubois writes 'The shame which would reflect on a whole caste if the faults of one of its individual members went unpunished guarantees that the caste will execute justice, defend its own honour and keep all its members within the bounds of duty. For, be it noted, every caste has its own laws and regulations, or rather, we may say, its own customs, in accordance with which the severest justice is meted out, just as it was by the patriarchs of old'<sup>5</sup>

<sup>1</sup>Ward, *History etc of the Hindoos*, I, p. 65

<sup>2</sup>Martin, *Eastern India*, II, p. 746

<sup>3</sup>*ibid*, III, p. 156

<sup>4</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 25, Buchanan, *A Journey from Madras etc* I, pp. 77-78.

<sup>5</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 32.

This 'caste authority' served to preserve social order and morality to a great extent in all parts of India.<sup>1</sup> Caste questions were decided by caste councils, or caste chiefs, who were competent to inflict various punishments like fines, penances, excommunications, etc. on defaulters of caste rules and regulations. No capital punishment could be inflicted by caste authorities.

Family system, which formed the chief agency for social relationship, was mainly patriarchal in character, except in the province of Malabar and among some primitive communities in comparatively backward areas. So the senior male member was the undisputed head of the family, and women were generally 'subject to the will of their master.' They guided themselves according to the dictates of their parents before marriage, husband after marriage and sons or other male relations in old age, if the husband was not alive. But the mistress of the household occupied a very dignified position in the joint family life, and a Hindu wife was expected to be a perfect embodiment of chastity, modesty, affection and piety. 'Segregated from the company of the other sex,' writes Orme, 'and strangers to the ideas of attracting attention, they are only the handsomer for this ignorance, as we see in them beauty in the noble simplicity of nature.'<sup>2</sup> Forbes has words of praise for certain good qualities of Indian women whom he describes as 'delicate, retired and feminine.'<sup>3</sup> Bengal's social life of the time is very much reflected in contemporary literature, and we read in the work of Bharatcandra, a mid-eighteenth century writer, how a good and pious mistress served as a ministering angel to her family and a bad and impious one was like an evil star on its fortune.<sup>4</sup>

A wife's happiness in life was entirely dependent on her husband. Forster remarks on this point: 'The entire system of domestic ordinance and economy of the Hindoos, is founded on a firm yet simple basis; from which arises effects, happy in themselves, and powerfully operative in uniting the bonds of society. By the ancient laws of the country, the wife depends for the enjoyment of every

<sup>1</sup>Elphinstone, *Report on the Territories lately conquered from the Paishwa*, p. 74, Innes, *Operations on the Coromandel Coast*, p. 29, Verelst, *A View of the Rise, Progress, and Present State of the English Government in Bengal*, pp. 27-28. fn.

<sup>2</sup>Orme, *Historical Fragments* etc. p. 465.

<sup>3</sup>Forbes, *Oriental Memoirs*, I, p. 74; III, p. 327.

<sup>4</sup>K.K. Datta, *Bengal Subah*, I, pp. 39-40



pleasure, as well as for most of the ordinary accommodations of her life, on the immediate existence of the husband; and it becomes her invariable interest to preserve his health, as much of her happiness is centred on his living to an old age.<sup>1</sup> But this does not mean that the mistress of a family could afford to ignore the interests of the other members of it. In a joint family it was also her duty to look to their interests and comforts.

'Strict principles of etiquette' were instilled into the mind of a Hindu woman, and lapses from these from her early youth were severely condemned.<sup>2</sup> Adultery of a woman was regarded as the highest social offence on her part for which she was liable to extreme punishments,<sup>3</sup> including even corporal punishments, excommunication and degradation in social rank. Verelst writes that 'in the year 1762, a native detected one of his women in an act of infidelity and satisfied of her guilt, proceeded to punishment by cutting off her nose'<sup>4</sup> In 1807, 'The *Tapta Mukti* or ordeal by hot clarified butter took place before 7,000 spectators, of a young woman accused by her husband of adultery.'<sup>5</sup>

Women could not usually participate in common public festivities or functions along with men, as free association of members of opposite sexes was not permitted in society 'What we call love-making is utterly unknown,' writes Dubois, 'amongst the Hindus'<sup>6</sup> 'Whatever may be said to the contrary,' he adds, 'Hindu women are naturally chaste. To cite a few examples of unseemly conduct, a few lapses attributable to human frailty, is no proof of their want of chastity as a body, . I would even go so far as to say that Hindu women are more virtuous than any of many other civilized countries.'<sup>7</sup> Indian Society in general had a sense of honour and an attitude of reverence towards its womenfolk. 'Women are so sacred in India,' observes Alexander Dow quite significantly, 'that even the common soldiery leave them unmolested in the midst of slaughter and devastation. The harem is a sanctuary against all the licentiousness of victory, and ruffians, covered with the blood of a husband,

<sup>1</sup>Forster, *Journey*, etc , I, p. 57

<sup>2</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 313.

<sup>3</sup>Martin, *Eastern India*, II, pp 475-76

<sup>4</sup>Verelst, *A View etc.*, p. 26

<sup>5</sup>*Calcutta Review*, VII, p 423

<sup>6</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 313.

<sup>7</sup>*ibid*, pp. 313-14, 354.

shrink back with confusion from the secret apartments of his wives '1 'A Hindu woman can go anywhere alone,' writes Dubois, 'even in the most crowded places, and she need never fear the impertinent looks and jokes of idle loungers . . . A house inhabited solely by women is a sanctuary which the most shameless libertine would not dream of violating '2 This striking feature was noticed by also some other contemporary writers like Forster<sup>3</sup> and Buchanan<sup>4</sup> and it is strange that Verelst went to the length of making such an incorrect statement to the effect that 'Women in the East are transferred with little ceremony, and whether they be wives or concubines, the men seldom await their consent. Were our laws of rape and rules of evidence enforced, one half of the males would incur the penalty of death '5

*Purdah* and rigorous seclusion of women in the houses were not common among all classes, but were prevalent among the higher classes and more so in the respectable Muslim families <sup>6</sup> Referring to south India, Dubois notes that the 'custom of women veiling their faces has never been practised in India '7 This was, however, observed among the women of the Moplahs in Malabar <sup>8</sup> Women belonging to poorer sections had to do much of drudgery work for which they had to go out <sup>9</sup>

Good women were not only 'ministering angels' at home, but, when necessary, some of them could stand side by side with men in the 'world's broad field' and 'in the bivouac of life ' With considerable experience of Maratha affairs of the time, Malcolm makes the following observation about Maratha women: 'The females both of the Brahmin and Sudra Mahrattas have, generally speaking, when their husbands are princes or chiefs, great influence, and mix, not only by their power over individuals, but sometimes . . . personally, in affairs of the state If married to men of rank, they have usually a distinct provision and estate of their own, enjoy as much liberty

<sup>1</sup>Dow, *The History of Hindostan*, I, p LXXV

<sup>2</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p 340

<sup>3</sup>Foster, *Journey etc.*, I, p. 57

<sup>4</sup>Patna-Gaya Report, I, pp 269-70

<sup>5</sup>Verelst, *A View etc.*, p 141.

<sup>6</sup>Mrs Ali, *Mussalmans*, I, p. 313

<sup>7</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 341.

<sup>8</sup>Forbes, *Oriental Memoirs*, I, p. 391.

<sup>9</sup>Ive's *Voyage*, p 48, Buchanan, *A Journey from etc.*, I, pp. 42, 92.

as they can desire, seldom, if ever, wear a veil, and give feasts and entertainments to their friends on births and marriages, and on particular anniversaries<sup>1</sup> Sri Devi Ahalya Bai, who ruled Indore from 1766 to 1795, possessed not merely lofty idealism, great piety and widespread benevolence but also remarkable skill and for administration. Malcolm bears eloquent testimony to her manifold virtues in the following words: 'The success of Ahalya Bai in the internal administration of her domains was altogether wonderful. The undisturbed internal tranquillity was even more remarkable than its exemption from foreign attack . . . The fond object of her life was to promote the prosperity of all around her . . . She has become by general suffrage, the model of good government in Malwa. Her munificence was not limited to her own territories; at all the principal places of Hindu pilgrimage, she built holy edifices, maintained establishments and sent annual sums to be distributed in charity. . . In the most sober view that can be taken of her character, she certainly appears, within her limited sphere, to have been one of the purest and most exemplary rulers that ever existed.'<sup>2</sup> A contemporary of Ahalya Bai, Rani Bhavani of Natore in Bengal, has been described by Beveridge as 'a heroine among the Bengalees' for efficient administration of her estate. Her charity and generosity for various noble works have immortalised her name. Opposition to oppressive or bad rule was sometimes organised under the leadership of intelligent and brave ladies.<sup>3</sup> There are instances also of Muslim ladies taking part in political and administrative affairs. Dardana Begam exhorted her husband, Murshid Quli, Governor of Orissa, to fight against Alivardi<sup>4</sup>, Zebunnisa, Begam of Shujauddin Mahammad Khan, assisted him in matters of administration<sup>5</sup> and Nawab Alivardi's Begam was a very able companion of her husband in managing the affairs of the state and in combating the menace of Maratha inroads.<sup>6</sup> About Alivardi's Begam, Holwell writes as follows: 'A woman whose wisdom, magnanimity, benevolence, and every amiable quality, reflected high honour on her sex and station; she much influenced the usurper's Councils, and was con-

<sup>1</sup>Malcolm, *Memoir of Central India*, II, pp 119-20.

<sup>2</sup>ibid, I, pp 179-95.

<sup>3</sup>K.K. Datta, *Bengal Subah*, I, p. 37.

<sup>4</sup>*Riyaz-us-Salatim* (English translation), I, p 329 fn 1.

<sup>5</sup>*Siyar-ul-Mutakherin* (English translation), I, p. 282.

<sup>6</sup>K.K. Datta, *Alivardi and his times*, p 197.

sulted by him in every material movement in the state except when sanguinary and treacherous measures were judged necessary, which he knew she would oppose as she ever condemned them when perpetrated however successful, predicting always that such policies would end in the ruin of his family.<sup>1</sup>

Marriage was a common social practice for all excepting those who followed celibacy on religious grounds. The parents were regarded as having a moral obligation<sup>2</sup> to marry their sons and daughters in time. Referring to Western Peninsula Grose observes 'A father is reckoned inhuman and careless of his children's happiness, if he does not make the earliest provision for having them suitably matched.' The girls had no hand in the choice of their husbands, as social laws did not sanction free selection of partners. Parents or, in their absence, other family elders fixed marriages of their wards.

In Hindu society marriage meant a sacred bond for a happy conjugal life according to its established laws, and it was solemnised by due prayers and invocations to gods. It was not a contractual relation for mere sexual or material comforts, and divorce was unthinkable. A legitimate wife could be discarded by a Hindu only for one offence, that is adultery.<sup>3</sup> We read in the account of Dubois. 'The indissolubility of the marriage tie is also an essential principle which it seems to me is not less firmly established amongst the Hindus than that which limits this important act to the legal union of one man with one woman. A Hindu can only put away his legitimate wife for one cause, and that is adultery. If this rule is violated, it is only among the most degraded of the lower castes.'<sup>4</sup>

Early marriages of both boys and girls formed a noticeable feature in society, and has been referred to by almost all the European writers of the time. But actual consummation was deferred till a comparatively mature age. 'The Hindus,' remarks Craufurd, 'are so scrupulous with respect to the virginity of their brides, that they marry extremely young, although consummation is deferred till they marry a person with whom those symptoms have already appeared to which their sex is subject'<sup>5</sup>

<sup>1</sup>Holwell, *Interesting Historical Events*, pp 170-71

<sup>2</sup>Grose, *Voyage to the East Indies*, II, p. 238.

<sup>3</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 211.

<sup>4</sup>Ibid ,

<sup>5</sup>Craufurd, *Sketches etc*, II, p. 2

Referring to Bengal and Bihar, Buchanan observes. 'In this country the marriage (*Vibaha*) is properly only a betrothing, and the wife never enters the husband's house, and does not cohabit with him until she arrives at the age of maturity, when she is conducted home with great expense and ceremony. In Bengal the wife does not indeed live with her husband regularly, until the time of maturity, but she is carried to his house immediately on marriage, and, although she then returns to her parents, the marriage is always consummated so soon after ten years of the age, as the astrologer declares the time propitious.'<sup>1</sup> There was nothing like a uniform minimum marriageable age amongst all classes and in all parts of India. With regard to the people of Bengal, Mr. Scrafton writes: 'They are married in their infancy, and consummate at 14 on the male side, and 10 or 11 on the female, and it is common to see a woman of 12 with a child in her arms. Though barren women are rare among them, yet they bear but few children, for at 18 their beauty is on the decline, and at 25 they are strongly marked with age.'<sup>2</sup> Buchanan observes in his accounts of Patna<sup>3</sup> and Purnea<sup>4</sup> districts that among the lower ranks of the people girls were married usually at five, six or seven years of age. But those of the richer classes could not marry their girls so early because they were required to incur heavy expenses, partly for payment of dowry by the bride's party to the bridegroom. Forbes notes that in south-western parts of India the boys were married at the age of six or eight and the girls at three or four.<sup>5</sup> About South India, Dubois writes that girls were married when seven or even five years old, while boys waited till they were sixteen, twenty or 'even older.'<sup>6</sup> But among some lower classes in south India girls were marriageable even after the age of puberty.<sup>7</sup>

Polygamy was not ordinarily practised by men. They rationally thought that it was proper to have one wife only, and they did not want to court family dissensions or agonies by having more than

<sup>1</sup>Buchanan, *Patna-Gaya Report*, I, pp. 355-56.

<sup>2</sup>Scrafton, *Reflections on the Government of Indostan*, pp. 10-11 Stavorinus, *Voyage to the East Indies*, I, pp. 440-41

<sup>3</sup>*Patna-Gaya Report*, I, pp 355-56

<sup>4</sup>*Purnea Report*, p 122.

<sup>5</sup>Forbes, *Oriental Memoirs*, I, p 76

<sup>6</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 210

<sup>7</sup>Buchanan, *A Journey from Madras etc.*, II, pp. 29, 120, 127, 129, 154, 338, III, p. 53.

one wife<sup>1</sup> 'All the Hindus acknowledge,' writes the famous Christian missionary Ward, 'that it is a great misfortune for a man to have two wives; especially if both live in one house.'<sup>2</sup> Because of their low income the poor classes could not afford the luxury of having more than one wife Dubois significantly writes: 'Polygamy is tolerated amongst persons of high rank, such as Rajahs, princes, statesmen, and others . . . . None the less this plurality of wives amongst the great is looked upon as an infraction of law and custom, in fact, as an abuse . . . . I only know of one case in which a man can legally marry a second wife, his first being still alive. and that is when, after he has lived for a long time with his wife, she is certified to be barren, or if she has only borne female children . . . But even in this case, before a man contracts a second marriage it is necessary that he should obtain the consent of the first; and she is always regarded as the chief wife and retains all her prerogatives.'<sup>3</sup>

Plurality of wives had, however, become a regular practice with the *Kulins* in Bengal and the Brahmins in Mithila. It was a period of triumphant *Kulinism*, which produced some shocking evils. We get graphic descriptions of it in contemporary literature and other accounts<sup>4</sup> Family pedigree had become a sort of marketable commodity. Those who claimed high lineage virtually sold it by marrying good many wives from the families having lower social status in return for dowry in each case of marriage quite regardless of age or considerations of marital adjustment. 'A man of high rank is often hired,' mentions Buchanan in his description of Mithila, 'when toothless or even moribund, to marry a low child who is afterwards left a widow, incapable of marriage, for the sake of raising her father's family and rendering her brothers more easily marriageable.'<sup>5</sup> Sometimes due to financial stress a girl of full-blown youth was coupled with a boy of 12 or 13 and a young girl was married to an old man. The non-monogamous *Kulins* did not actually live with their wives, but only paid occasional visits at long intervals to the houses of their father-in-laws, where these unfortunate

<sup>1</sup>Dow, *The History of Hindostan*, I, p. XXXV.

<sup>2</sup>Ward, *History, etc., of the Hindoos*, I, p. 133

<sup>3</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, pp. 207-8. Buchanan, *A Journey from Madras, etc.*, II, p. 25.

<sup>4</sup>K.K. Datta, *Bengal Subah*, I, pp. 70-71.

<sup>5</sup>Buchanan, *Purnea Report*, p. 260

women had to stay; and the attractions for such visits of *Kulin* sons-in-law were in most cases pecuniary profits 'A Parhi *Kulin* Brahmin,' remarks Buchanan, 'may marry as many wives as he pleases, and some have 60; but in general they cannot procure above 8 or 10. They visit them alternately and give themselves no sort of trouble about the maintenance of either the mothers or children' <sup>1</sup> Referring to Mithila, he notes that about the year 1805 the Raja of Darbhanga, who was the undisputed leader of the Maithil Brahmins, 'prohibited any man on his estates from taking more than five wives: formerly it was usual for men to take a good many.'<sup>2</sup>

Polyandry was an exception in Indian society, and according to Dubois proportion between the two sexes was balanced.<sup>3</sup> It was in vogue amongst certain classes in the hilly regions south of the Himalayas Colonel Wilks notes that among Polygars of Totter caste in south India, several brothers in one family shared one wife <sup>4</sup> Buchanan mentions polyandry among the Tiars in Malabar <sup>5</sup> As regards Nair women it may be noted that though they had 'the privilege of changing their husbands, they did not entertain more than one husband at a time' <sup>6</sup>

Marriages were celebrated with numerous ceremonies, and in rich families with profuse amusements, feasting and expenses.<sup>7</sup> Raynal writes that among the Vaisyas of Surat, though they were ordinarily thrifty in habits, 'no expense was spared for the entertainment, the music, the dancing, and the fireworks' 'Their whole ambition was,' he notes, 'to tell how much the wedding had cost Sometimes it amounted to a hundred thousand crowns.'<sup>8</sup> It was common among the well-to-do and the middle class people to incur heavy expenses in celebrating marriages Marriage expenses were high also among the rich Muslim families

Marriage of widows of the higher-class Hindu families was not permissible But even during the transitional years of the mid-

<sup>1</sup>Martin, *Eastern India*, II, p 271

<sup>2</sup>Purnee Report, p 260.

<sup>3</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, pp. 209-11

<sup>4</sup>Wilks, *Historical Sketches of the South of India*, I, p 470, III, p. 4.

<sup>5</sup>Buchanan, *A Journey from Madras etc* , II, p 416

<sup>6</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p 16 fn. 2

<sup>7</sup>Forbes, *Oriental Memoirs*, I, p. 76

<sup>8</sup>Raynal, *A Philosophical and Political history of the Settlements and Trade of the Europeans in the East and West Indies*, II, p 34

eighteenth century, a bold attempt was made by Raja Rajballabh of Dacca in 1756 to introduce widow marriage in Hindu society. Intending to get his widowed daughter remarried, he referred the matter to the learned pandits of Dravida, Tailanga, Banaras, Mithila and some other places, who unanimously expressed the following opinion: 'Women are at liberty to marry again if their husbands be not heard of, die, retire from the world, prove to be eunuchs or become outcastes.'<sup>1</sup> But his efforts bore no fruit owing to the strong opposition of Maharaja Krishnachandra of Nadia and his Pandits.<sup>2</sup> Raja Jai Singh II of Jaipur made an attempt to introduce widow marriage in his kingdom, but it failed due to his mother's opposition to it.<sup>3</sup> Moved by the widowhood of a daughter at a very early age, the famous Maratha general Parashuram Bhau also sought to remarry her. The matter was referred to the Pandits of Banaras, who gave their consent to it in consideration of the very tender age of the girl. But Parasuram's wife was not of the same opinion with her husband, and so the latter gave up the attempt.<sup>4</sup>

Subject to lifelong dependence on the male members, either in the family of her deceased husband or in that of her parents or brothers, a Hindu widow had naturally a hard lot. One source of income was open to her as even to the other women, generally of middle class and needy families in Bengal<sup>5</sup> and other parts of India.<sup>6</sup> It was spinning, the output of which in thread was purchased by the local weavers for manufacture of cotton cloths.

In Bengal the evils of dowry and *kulinism*, then so shocking and triumphant, were very much responsible for condemning women of higher classes to a pathetic lot. The Brahmins and the Kayasthas, claiming higher social pedigree, made polygamy<sup>7</sup> a regular profession and used it as a means to earn dowry by marrying several times,<sup>8</sup> regardless of the sanctity of marital relationship and the natural instincts of women. The latter, having no say in the matter,

<sup>1</sup>*The Bengal Spectator*, May, 1842; *Calcutta Review*, 1856

<sup>2</sup>*Kshutisavamsavalicharita*, p. 145

<sup>3</sup>*Indian Social Reform*, p. 290

<sup>4</sup>*ibid*, pp. 290-91 and p. 177. See also Ranade's *Essays*

<sup>5</sup>K. K. Datta, *Bengal Subah*, pp. 43-44

<sup>6</sup>Buchanan, *A Journey from Madras, etc.*, II, p. 263

<sup>7</sup>Verelst, *A View etc.*, p. 136. Stavorinus, *Voyage. etc.*, I, p. 440.

<sup>8</sup>The number of wives of a *Kulin Brahmin* even exceeded sixty. B.N. Banerjee, *Sambadpatre Sekaler Katha*, Part II, p. 183, Part III, p. 145. Ward, *History etc of the Hindoos*, I, pp. 61-62



lived mostly in the houses of their parents or brothers, where their husbands came on biennial, triennial or quinquennial tours to realize the farthing of what they considered to be their dues even by selling the ornaments or clothing of their wives.<sup>1</sup> Dowry system was not, however, compulsory and shockingly prevalent among the non-*kulins*. As for the lower castes, the practice among most of them was just the opposite, the bridegroom being required to pay dowry to the bride, the amount of which was not very substantial

It was Raja Rammohan Roy, the prophet of modern Indian renaissance and the first great champion of women's rights in modern times, who raised his voice against polygamy and *kulinism*. He had a strong antipathy to 'horrible polygamy'. A feeling against *Kulinism* must have been gradually growing in the country since then. In a Bengali dramatic work, entitled *Kulin-Kula-Saivasya*, written by Ramnarayan Tarkalankar in 1854, it was held up to 'deserved ridicule and contempt'

*Sati* or the practice of Hindu women burning themselves on the funeral pyres of their husbands, was a noticeable feature in Indian social life in those days. Being prevalent from the ancient times,<sup>2</sup> it got a new lease of life during the troubled days of the medieval period. It is referred to in the important foreign accounts about India during the 15th, 16th and 17th centuries, and could not be checked by the efforts of the Mughal Emperors like Akbar and Jahangir. During the 18th century it was more widely prevalent in Rajasthan<sup>3</sup> and some parts of northern India on the banks of the Ganges than in the south. Dubois writes. 'In the southern parts of the Peninsula of India *Suttees* are seldom seen. I am convinced that in the Madras Presidency which numbers at least thirty millions of inhabitants, not thirty widows allow themselves to be thus burnt alive during a year'<sup>4</sup> Probably in the south-western parts of the Peninsula the practice was not common as in Bengal.<sup>5</sup> As regards Central India, Malcolm tells us as follows 'The practice of *Suttee*

<sup>1</sup>Bharatchandra's *Annada-mangal*, K K. Datta, *Bengal Subah*, I, pp. 70-73, B N. Banerjee, op. cit., Part II, pp. 177-81

<sup>2</sup>S C. Sarkar, *Some Aspects of the Earliest Social History of India*, pp. 82-83, 186-87

<sup>3</sup>Tod, *Annals and Antiquities of Rajasthan*, edited by Crooke, II, pp. 737-39

<sup>4</sup>Dubois, *Hindu Manners, Customs and Ceremonies* I, pp. 357 fn Buchanan, *A Journey from Madras, etc.*, I, pp. 349, 419 III, p. 95

<sup>5</sup>Forbes, *Oriental Memoirs*, II p. 373

or self-immolation<sup>1</sup> of widows was formerly very common in Central India . . . This usage prevailed most when the Rajpoots had power and influence . . . The Marhattas, since they acquired paramount power in this country, have, by a wise neglect and indifference, which neither encouraged by approval. nor provoked by prohibition, rendered this practice very rare. In the whole of Central India there have not been, as far as can be learnt, above three or four *Suttees* annually for the last twenty years<sup>2</sup> (that is almost the first two decades of the 19th century). Even about Bengal, Scrafton wrote in the mid-eighteenth century that this practice 'was far from common and was only complied with by those of illustrious families'<sup>3</sup> and Stavorinus noted that it was prevalent among 'some castes.'<sup>4</sup> This practice was, therefore, not common among all castes. But there seems to be an increase of it in the Bengal Presidency during the early years of the nineteenth century.

Customs and inducements of priests or relations might have some influence over the women in offering themselves for such sacrifices. But it cannot be denied that these often demonstrated strength of conjugal fidelity, and the women burnt themselves with extraordinary fortitude and courage unperturbed in the least by other considerations. Scrafton remarks: 'Many authors ascribe this (*Sati*) to have been instituted to prevent their wives from poisoning them, but I am well persuaded that often they submit to it by a nice sense of honour and conjugal affection.'<sup>5</sup> The Dutch traveller, Stavorinus, who witnessed a *Sati* case at Chinsura on the 25th November, 1770, writes that the woman 'underwent every thing with the greatest intrepidity and her countenance seemed at times, to be animated with pleasure, even at the moment when she was ascending the fatal pile'<sup>6</sup> Compulsion might have been sometimes used but that was, as the same writer remarks, 'seldom necessary as they possess sufficient enthusiasm willingly to devote themselves to this horrible death'<sup>7</sup> Craufurd and Holwell refer to the case of the wife of one Ramchand Pandit, a Maratha settler at Cassimbazar, who died on

<sup>1</sup>Stavorinus, op. cit , II, p. 494

<sup>2</sup>Malcolm, *Memoir of Central India*, II, pp. 206-7

<sup>3</sup>Scrafton, *Reflections on the Government of Indostan*, p. 11

<sup>4</sup>Stavorinus, op cit , I, p. 441.

<sup>5</sup>Scrafton, *Reflections on the Government of Indostan*, pp. 110-11.

<sup>6</sup>Stavorinus, *Voyage to the East Indies*, II, p. 448

<sup>7</sup>ibid.

the 4th February, 1743. The woman belonged to a respectable family and was seventeen years of age. The rich merchants of that locality and her relations 'left no arguments unessayed to dissuade her from it (*Sati*).' But she listened to none, and her friends 'finding her thus peremptory and resolved, were obliged at last to assent.'<sup>1</sup> Forbes mentions the case of Madhava Rao's wife burning herself on the funeral pyre of her husband with 'admirable dignity and fortitude,' by setting fire to the sandal pile with her own hands.<sup>2</sup> On the authority of some eye witnesses, Malcolm mentions remarkable resolution and fortitude of Shri Devi Ahalaya Bai's daughter, Muchta Bai. Moved by affection, the mother wanted her daughter to refrain from this step 'No efforts (short of coercion) that a mother and a sovereign could use were untried by the virtuous Ahalaya Bai to dissuade her daughter from the fatal resolution.'<sup>3</sup> But the young woman remained firm in her resolution 'You are old, mother,' she said, 'and a few years will end your pious life. My only child and husband are gone, and when you follow, life, I feel, will be insupportable but the opportunity of terminating it with honour will then have passed.'<sup>4</sup>

The *Sati* practice ultimately disappeared under the influence of some new forces that appeared during the closing years of the 18th century and the first three decades of the 19th century. There was growing consciousness on the part of some officers of the Company and their government in India about the need of abolishing this shocking custom. They took cautious steps in this matter and tried at first to check it under regulations or circular orders like those of 1812, 1815 and 1817, instead of issuing official orders for its entire abolition.<sup>5</sup> It was possible for William Bentinck to abolish *Sati* rite because a strong public opinion demanding its abolition had developed in the country under the leadership of Raja Rammohan Roy.<sup>6</sup> Government efforts were reinforced by the new enlightened Indian views about social reforms. Rammohan, indeed, 'devoted all the energies of his noble soul' to save women 'from a cruel death'<sup>7</sup>

<sup>1</sup>Craufurd, *Sketches of the Hindoos*, II, p. 19.

<sup>2</sup>Forbes, *Oriental Memoirs*, I, pp 472-73

<sup>3</sup>Malcolm, *Memoir of Central India*, I, pp 190-91.

<sup>4</sup>*ibid.*

<sup>5</sup>K.K. Datta, *Dawn of Renascent India*, pp 92-102

<sup>6</sup>*ibid.*, pp. 109-10

<sup>7</sup>Sivanath Sastri, *History of the Brahma Samaj*, I, p 47

The Christian missionaries too exerted some influence for the removal of this practice.<sup>1</sup>

If *kulinism* produced some poignant social evils in Bengal, false sense of honour regarding heredity and some difficulties attending the marriage of girls were responsible for the horrible practice of infanticide mostly among the Rajputs in different parts of India. 'Although religion,' writes Tod, 'nowhere authorizes this barbarity, the laws which regulate marriage among the Rajputs powerfully promote infanticide.' Jonathan Duncan, the Company's Resident at Banaras, while travelling in 1789 along the frontier of the Jaunpur district noticed it among the Rajkumars, a Rajput caste settled in that area. It was observed by some British officers among the Jharija (Jadeja) Rajputs of Cutch and Kathiawar and also among the Jats and Mewats<sup>2</sup> and Rahtor Rajputs of Jaipur and Jodhpur. Referring to the district of Gorakhpur, Buchanan writes that among the Rajputs of that part 'this (female infanticide) formerly was done openly as a matter of course, in which no one had a right to interfere. Since the English government, they have often sent their wives to be delivered in the Nawab's country, or they have starved the infants, and said that they died of disease.'<sup>3</sup> Malcolm tells us that infanticide was not 'known among the lower classes: this shocking custom appears limited to some Rajput chiefs of high rank and small fortunes, who, from a despair of obtaining a suitable marriage for their daughters, are led by an infatuated pride to become the destroyers of their own offspring'<sup>4</sup> He noticed, however, a gradual decline of this usage. The Raja of Pertabgarh and the Rawal of Banswara prohibited this practice within their respective territories before the 19th century.<sup>5</sup> There was also the abominable practice of throwing children into the sea at Sagar Island in fulfilment of some vows. Subsequently during the first four decades of the 19th century female infanticide almost died out, due partly to the exertions of some British officers<sup>6</sup> and the influence of new ideas of social reform.

Slavery was an ancient social institution in India, and it continued during the medieval period. It was recognised in Indian Muslim

<sup>1</sup> *Calcutta Review*, 1851, pp. 271-72

<sup>2</sup> *Cambridge History of India*, VI, pp. 129-30.

<sup>3</sup> Martin, *Eastern India*, II, p. 464

<sup>4</sup> Malcolm, *Memoir of Central India*, II, pp. 208-9

<sup>5</sup> *ibid*, p. 208, fn.

<sup>6</sup> *Calcutta Review*, 1844

society, and 'slaves formed a familiar feature of every respectable Muslim home.'<sup>1</sup> According to Buchanan slavery was 'pretty universal' among the Muhammadans<sup>2</sup> and 'the children of slaves were also held as slaves.'<sup>3</sup> There were ordinarily two forms of slavery in India,—feudal servitude and domestic slavery. In the former, the serfs attached to lands were regarded as property of the lords, and on transfer of lands from one to other they were also occasionally required to change masters. It was prevalent in the north as well as in the south of India. Referring to the Pariahs of Malabar, Dubois observes 'All the Pariahs born in the country are serfs for life, from father to son, and are part and parcel of the land on which they are born. The land-owner can sell them along with the soil, and can dispose of them when and how he pleases.'<sup>4</sup> The landed proprietors did not usually sell their slaves 'except in cases of great emergency.'<sup>5</sup>

Slaves were recruited from both the sexes. Of the female slaves, some were employed for domestic and menial works, and some for pleasure and company which often degenerated into concubinage. In Central India, Malcolm noticed 'mixed progeny of these unfortunate women.'<sup>6</sup> Buchanan writes that in northern India, the Rajputs, Khattris and Kayasthas openly kept 'women slaves of any pure tribe,'<sup>7</sup> and the children through such women were classed in one matrimonial group. Rich Muslim families in Bihar maintained large number of male slaves called *Nufus* and female slaves called *Laundis*.<sup>8</sup> A distinct class of slaves known as *Molazadahs* were also maintained by them.<sup>9</sup>

The French<sup>10</sup> and the Portuguese exported slaves out of India. For several years the East India Company itself 'engineered traffic in

<sup>1</sup>Kunwar Muhammad Ashraf, *Life and Conditions of the people of Hindustan (1200-1500 AD)*, pp 188-89

<sup>2</sup>Martin, *Eastern India*, I, p. 126

<sup>3</sup>*ibid*, *Bengal Revenue Consultations*, 16th August, 1774

<sup>4</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, p. 56. This system of serfdom survived among the Nairs, the Coorgs and the Tulus of the Malabar Coast in the first two decades of the 19th century.

<sup>5</sup>*ibid*, p. 57.

<sup>6</sup>Malcolm, *Memoir of Central India*, II, p 204

<sup>7</sup>*Patna-Gaya Report*, I, p. 357

<sup>8</sup>*ibid*, p 287

<sup>9</sup>*ibid*, p. 288, *Bengal Revenue Consultations*, 16th August, 1774.

<sup>10</sup>*Itihās* (in Bengali), nos 3-4, p 86.

slaves, as a highly profitable concern.<sup>1</sup> In the first year (1772) of Warren Hastings' administration as Governor of Bengal, a regulation was passed by the Company's Government condemning the families of convicted dacoits to be 'sold as slaves'.<sup>2</sup> Slaves 'were regularly registered in the Court House, where a duty of Rs. 4 and annas 4 a head was paid'.

In several slavery documents of the 18th and early 19th centuries, we get instances of a needy man selling himself in life-long bondage to a rich man of his village or neighbourhood, of one selling his children (males or females), or of one selling his servant in lieu of a certain amount.<sup>3</sup> In certain parts of east Bengal servants and slaves were transferred from one master to another along with properties to which they had been attached.<sup>4</sup> It was mostly in times of acute distress, due to famines or other natural calamities, that the practices of self-disposal or disposal of children in slavery were resorted to.<sup>5</sup> Mr. Day, Collector of Dacca, wrote to the Committee of Revenue of Calcutta on the 2nd March, 1785. 'The long continued distress this district has laboured under from general scarcity of grain, and the failure of crops in consequence of the late deluge, has reduced its inhabitants to the lowest pitch of misery and distress,

<sup>1</sup>*Bengal, Past and Present*, II, Part II, p. 271

<sup>2</sup>*ibid*, p. 272

<sup>3</sup>K. K. Datta, *Bengal Subah*, I, pp. 492-94. In 1960 Shri J. S. Jha and Shri Q. Ahmad, Research Fellows of the K. P. Jayaswal Research Institute, Patna, discovered some deeds of purchase of slaves by Shah Mal, custodian of Rohtas Fort, in the collections of Shri Radha Mohan Prasad, an enlightened representative of an old historic family of Tilouthu in the Shahabad district of Bihar. These deeds are bi-lingual, both in Persian and Hindi. The latter version is fuller and mentions the prices of the different slaves, their descriptive roll, etc. One such document, dated 1170 F, mentions the price of a female slave of 20 years as Rs. 4/- and that of her two sons aged 4 and 5 years-8 annas each. However, there were no fixed prices, and they varied probably according to the necessity of the seller. There is another document of similar interest. One of the household slaves of Shah Mal was married to some one of another village. When the bridegroom demanded her '*Rukhsati*' it was refused. Probably it was considered derogatory to send a household slave to some one else's house, the bridegroom was expected to live with her in Tilouthu. After much trouble she was allowed to go to her bridegroom's place on execution of a document by the bridegroom's party guaranteeing to return her after 10 days and agreeing to guard her from fleeing away during those 10 days.

<sup>4</sup>K. K. Datta, *Bengal Subah*, I, pp. 492-94. Vide Appendix A.

<sup>5</sup>After Bengal famine of 1770, famine in Bombay in 1790, famine in the Deccan in 1803. Banaji, *Slavery in British India*, p. 4.

the poor and the lowest class of people to secure to themselves a subsistence are reduced to a sale of their children, and many hundreds have been purchased.<sup>1</sup> Referring to the districts of Behar and Patna, Buchanan observes 'Kurmis and Dhanuks born free occasionally give themselves up as slaves, when they fall into distress.'<sup>2</sup> As regards Central India, Malcolm writes. 'Numbers date their condition from a famine or scarcity, when men sold their children to those, who were able to support them, with a natural view of preserving the lives of their offspring, at the same time they obtained means of protecting their own.'<sup>3</sup>

Besides such cases of voluntary servitude on account of penury, there were others of more 'criminal nature, due to an almost regular traffic in slaves in different parts of the country. Sometimes masters of slaves sold children of the latter. In Central India, certain classes of people, such as the Sondees, sold the children whom they had by their slaves, and the Banjaras and the Gwarriahs most notoriously indulged in stealing children to dispose them of as slaves.<sup>4</sup> Malcolm points out that even some Maratha Brahmmins carried on this 'shameless traffic' in slaves and sent large numbers of female slaves every year 'to the southward, particularly to the Poona territories' where they fetched high price<sup>5</sup>

Kidnapping of children and 'nefarious traffic' in slaves were rampant in the 18th century in Malabar and Tanjore<sup>6</sup> The city of Calcutta was a slave market in the eighteenth century and trade in slave was carried on by many<sup>7</sup> Of the various sources of the Company's revenue in Calcutta in 1752, one was sale of slaves<sup>8</sup> The Portuguese pirates and the Mugs of Aracan carried on a regular traffic in slaves, for which they gathered in the Sunderbans and haunted the neighbourhood of Akra, Buzbuz and Calcutta<sup>9</sup> It was a fashion with the Europeans or the Eurasians in Calcutta in those days to retain slaves Sir William Jones remarked before the Jury in

<sup>1</sup>Price of grains in those parts was then from 20 to 25 seers per one rupee

<sup>2</sup>*Patna-Gaya Report*, I, p. 288

<sup>3</sup>Malcolm, *Memoir of Central India*, II, p. 20.

<sup>4</sup>*ibid*

<sup>5</sup>*ibid*, p. 202

<sup>6</sup>*Proceedings of the Indian Historical Records Commission* (Mysore Session, 1942), pp. 36-37.

<sup>7</sup>Carey, *The Good Old Days of the Honourable John Company*, I, pp. 465-73.

<sup>8</sup>*Consultations* 9th October, 1752.

<sup>9</sup>*Bengal Past and Present*, II, Part II, p. 272.

Calcutta in June, 1785. 'Hardly a man or a woman exists in a corner of this populous town who hath not at least one slave child either purchased at a trifling price, or saved perhaps from a death that might have been fortunate, for a life that seldom fails of being miserable. Many of you, I presume, have seen large boats filled with such children, coming down the river for open sale at Calcutta. Nor can you be ignorant that most of them were stolen from their parents, or bought, perhaps, for a measure of rice in a time of scarcity.'<sup>1</sup>

Slaves were not only carried from one part of India to another in British territories<sup>2</sup> but were also imported into Bombay or Calcutta from outside India, chiefly from Africa and some places round the Persian Gulf, Armenia, and Mauritius.<sup>3</sup> There are numerous references in contemporary literature, records and newspapers regarding the sale of 'Coffree' (African) boys and girls as slaves in Calcutta and employment of Abyssinian or Armenian slaves. There were then Englishmen in Calcutta 'who not only bought and sold African slaves, but went in for the breeding of them for the slave market.'<sup>4</sup> Indian slaves were transported out of the country by the Portuguese and traders of the other European Companies to St Helena and the French Islands in the Indian Ocean and to Ceylon.<sup>5</sup> With regard to the infamous practice of unlawfully and unjustly selling natives of Bengal and other parts of India as slaves in St. Helena, the Governor-General-in-Council of Fort William (Bengal) issued a proclamation on the 5th August, 1794, that 'criminal prosecutions for the public offence and civil actions for the private injury arising from the unlawful sale, or giving away of any person as a slave at St. Helena or elsewhere . . . will be instituted here against such persons as are amenable to the jurisdiction of the Supreme Court of Judicature, and against whom sufficient evidence can be obtained to support the same, and moreover, that in future all persons in whose service natives shall embark from Bengal for England, will

<sup>1</sup>Quoted in Carey, op cit., I, p. 469, *Bengal. Past and Present*, II, Part II, p 273

<sup>2</sup>ibid.

<sup>3</sup>K.K. Dutta, *Bengal Subah*, I, pp 500-1.

<sup>4</sup>Busteed, *Echos from old Calcutta* (Third Edition, 1897), p 124 footnote

<sup>5</sup>*Bengal Public Consultations*, 21 December, 1787, *Letters from Cornwallis to the Court of Directors*, dated 10th August and 10th August, 1789, *Bengal Foreign Consultations*; 1st December, 1790, 1st June, 1791, 15th April, 1791



be required to give good and sufficient security against such natives being sold or given away as slaves at St. Helena or at any other place or settlement during the voyage to Europe.' In the 'savage commerce' in slaves numbers of children were 'conveyed out of the country (India) on the Dutch, and especially the French vessels, and many lives of infants destroyed by the attempts to secrete them from the notice of the magistrate.'<sup>1</sup>

The evil of slavery was gradually abolished during the first half of the 19th century under the influence of humanitarian ideas of reform. The British Parliament abolished slave trade in 1807, and in 1811 importation of slaves into India from foreign countries was forbidden. In 1832 purchase and sale of slaves, carried from one district to another, was declared to be a penal offence. India Act V of 1843 removed legal recognition of slavery, and trade in slaves was made a criminal offence under the Indian Penal Code in 1860.

Servitude of any kind is certainly an ignoble feature in the society of a country. Slaves in Indian families, however, were not ordinarily subjected to harsh treatment. They were allowed to marry and to have families of their own. The Committee of Circuit truly observed in June, 1772 'The ideas of slavery borrowed from our American colonies, will make every modification of it appear in the eyes of our countrymen in England a horrible evil. But it is far otherwise in this country, here slaves are treated as the children of the families to which they belong and often acquire a much happier state by their slavery than they could have hoped for by the enjoyment of liberty.'<sup>2</sup> Malcolm writes that the male slaves in Central India were 'generally treated more like adopted children than menials,'<sup>3</sup> though the lot of the female slaves there was comparatively hard. According to Tod the slaves of Mewar received good treatment.<sup>4</sup> Regarding the form of slavery prevalent in peninsular India, we read as follows in a report by William Chaplin printed under the authority of the Commissioner in the Deccan: 'It is however a very mild and mitigated servitude rather than an absolute slavery . . . Slaves are treated by the Hindoos with great indulgence, and if they conduct themselves well, considered rather as hereditary servants of the family than as menials. They become domesticated in the houses of the upper classes, who treat them

<sup>1</sup>*Bengal Revenue Consultations*, 17th May, 1774.

<sup>2</sup>O' Malley, *History of Bengal, Bihar and Orissa*, p. 359

<sup>3</sup>*Memoir of Central India*, II, p. 202.

<sup>4</sup>Tod, *Annals and Antiquities of Rajasthan*, I, pp. 207-10.

with affection, and allow them to intermarry with the female slave and the offspring of their connection, though deemed base by the males, are often considered free; but if females they remain slaves. Marriage however is equivalent almost to emancipation, because when married, slaves become rather than encumbrance to their owners.

As compared with this the condition of slaves in European, Eurasian and Portuguese families, in Calcutta particularly, is miserable.<sup>1</sup> They were subjected to all sorts of indignities, and corporal punishments were inflicted on them by their masters for trivial offences.<sup>2</sup> In his charge to the Grand Jury in Calcutta in 1791 Sir William Jones observed 'I am assured from evidence, which though not all judicially taken, has the strongest hold on my belief that the condition of slaves within our jurisdiction is, beyond imagination, deplorable, and that cruelties are daily practised on them chiefly on those of the tenderest age and the weaker sex.'<sup>3</sup>

<sup>1</sup>Busteed, *Echoes from old Calcutta*, p. 120

<sup>2</sup>*Bengal Past and Present*, II, p. 274

<sup>3</sup>Carey, *op. cit.*, I, p. 469.

## Commercial Relations

With her surplus products, agricultural as well as industrial, India had widespread commercial relations from the past with different countries of the world. While each province had a vigorous internal trade within its area, there were active commercial relations among its different parts and the country as a whole carried on for long a profitable commerce with Europe, America, Africa and other parts of Asia.

### *Inter provincial*

Vitality of India's inter-provincial trade till the middle of the eighteenth century was a very important feature of her economic life till then. Robert Orme significantly observes 'The varied and extensive commerce which exists in Indostan, both by sea and land is more than can be imagined by those who are unacquainted with the multiplicity and value of the productions of this wealthy empire, the high roads are full of caravans; the navigable rivers of boats, the sea coasts of barques, and ships with the richest cargoes make voyages from one part of the kingdom to another'<sup>1</sup> Then large number of merchants from all parts of Asia and from different quarters of India 'sometimes in bodies of many thousands at a time, used annually to resort to Bengal with little else than ready money or bills, to purchase the produce of those provinces'<sup>2</sup> 'A variety of merchants,' writes Bolts, 'of different nations and religions, such as *Cashmerians*, *Multanys*, *Patans*, *Sheiks*, *Suniassys* (mendicant traders coming down in batches from the Himalayan region), *pogyahs* (up-country merchants with turbans on their heads), *Betteeas* (*Bhutias*) and many others used to resort to Bengal annually, in

<sup>1</sup>Orme, *Fragments of the Moghul Empire*, p. 442.

<sup>2</sup>Bolts, *Consideration on Indian Affairs*, p. 21.

*caseelahs*, or large parties of many thousands together (with troops of oxen for the transport of goods) from different parts of Hindustan<sup>1</sup>

Similarly merchants from Bengal also traded with different parts of northern India, the Punjab, Kashmir, Gujarat, places on the Malabar and Coromandel coasts, Assam and Cachar. The cotton manufactures of Bengal were carried to the remotest parts of India. While sending these regularly to Gujarat, Bengal obtained from Gujarat and Surat cotton for her numerous looms.<sup>2</sup> Almost all the districts of Bengal produced cotton. But these were used for coarse manufactures and were not sufficient for the total quantity of cotton manufactures. So cotton was imported into Bengal from other areas also such as Mirzapur, Farrukhabad and Nagpur.<sup>3</sup> Mirzapur, having a central situation, 'developed into a grand mart for cotton for import into Bengal,'<sup>4</sup> and merchants from different parts of Bengal purchased cotton at Bhagwangola near Murshidabad.<sup>5</sup> 'The low price at which (Bengal) salt could be conveyed through all the branches of the Ganges rendered it an advantageous article of trade in the inland parts of Hindostan. Great quantities were sent to Benares and Mirzapour from the markets of which, the provinces of Oudh and Allahabad, the territories of the Raja of Bundela, and of all the petty princes of the kingdom of Malwa, were supplied'<sup>6</sup> Nepal was a market for Bengal salt. Since the early days of the eighteenth century, 'forty vessels from five to six hundred tons burden each' were sent annually from Bengal to Assam, chiefly with salt, which produced 200 per cent profit, and also with articles like betel and tobacco. They carried in return silk *munga dhuties* (a variety of silk cloth), ivory and timber. All this trade was financed by Indian capital and its profits were shared by the rich merchants with the ordinary manufacturers of the country.<sup>7</sup> Though different classes of indigenous merchants were engaged in internal trade at

<sup>1</sup>ibid, p. 200

<sup>2</sup>Mallet in *Proceedings, Indian Historical Records Commission*, XI

<sup>3</sup>N.K. Sinha, *Economic History of Bengal*, I, pp. 101-3

<sup>4</sup>ibid.

<sup>5</sup>ibid

<sup>6</sup>Dow, *Hindustan*, pp CXIX-CXX

<sup>7</sup>*Hastings' opinion in the Consultations of 1st March, 1763. Vansittart's Narrative*, II, p. 347, *Mir Qasim's letter to Vansittart*, ibid, II, pp. 164-68; *Bolts, Considerations*, p. 197

least till the time of Buchanan's survey of some Bihar districts (1809-1813), the foreign traders (Europeans and Armenians) had already made considerable encroachment on this sphere

### *Foreign trade. Asiatic*

In the pre-Plassey period India had also a profitable trade with the other countries of Asia. Visiting Bombay in 1766 Forbes observed 'Bombay was then one of the first marts in India, and employed a great number of vessels in its extensive commerce; Bussorah, Muscat, Ormuz, and other ports in the Persian Gulf, furnished its merchants with pearls, raw silk, Carmania wool, dates, dried fruits, rose water, attar of roses, and several other productions. Arabia supplied them with coffee, gold, drugs, and honey. A number of ships annually freighted with cotton and bullion to China, returned laden with tea sugar, porcelain, wrought silks, nankeens, and a variety of useful and ornamental articles. From Java, Malacca, Sumatra, and the eastern islands, they brought spices, ambergris, perfumes, arrack, and sugar: the cargoes from Madagascar, the Comorro isles, Mosambique, and other ports on the eastern coast of Africa, consisted chiefly of ivory, slaves, and drugs while the different parts of India produced cotton, silk, muslin, pearls, diamonds, and every precious gem, together with ivory, sandal-wood, pepper, cassia, cinnamon, and other luxuries. This valuable commerce was carried on by vessels belonging to the European and native merchants settled at Bombay, totally independent and unconnected with the trade of the East India Company. The exports consisted of English woollen cloths of every description; with copper, iron, lead, and other European staples, purchased at the Company's sales by the native merchants, both at Bombay, and from the continent. A great deal of cotton, imported in boats from Surat, Baroche, Ahmood, and Jamboseer, was shipped in large vessels at Bombay for Madras, Bengal, and China. The Portuguese from Goa, Damaun, and Europe, carried on a trifling trade with Bombay, but the French, Dutch, and Danish ships seldom touched there, the American intercourse with India was then in its infancy'<sup>1</sup> Referring to Bengal in the years before 1756-57, Dow wrote about 1770 'The balance of trade, therefore, was against all nations in favour of Bengal, and it was the *sink* where gold and

<sup>1</sup> Recently Indrani Ray of Jadavpur University has written about 'India in Asian Trade,' *Proceedings, Indian History Congress*, 34th Session, 1973

<sup>1</sup>Forbes, *Oriental Memoirs*, I, pp. 153-54

silver disappeared without the least prospect of return.<sup>1</sup> Till then 'the coasts of Coromandel and Malabar, the gulf of Persia and Red Sea, nay even Manilla. China and the coast of Africa were obliged to Bengal for taking off their cotton, pepper, drug, fruits, chank cowries, tin, etc. as on the other hand they were supplied from Bengal with what they could not well be without, such as raw silk and its various manufactures, opium, vast quantities of cotton cloth, rice ginger, turmeric, long pepper, etc. and all sorts of gruff goods.'<sup>2</sup> Wheat and sugar were also two other important exports of Bengal to these parts of Asia. About 1756, 'the annual exportation of sugar (from Bengal) was about 50,000 maunds, which yielded a profit of about 50 per cent and the returns for which were generally in specie, so that in the 20 years immediately preceding the capture, it may be estimated that there flowed into Bengal for this article no less than 60,00,000 rupees, which was all clear gain to the country, and of the most eligible kind, the production of the ground manufactured by the natives'<sup>3</sup> Bengal's chief exports to Tibet were cotton and silk fabrics, spices, broadcloth, hardware, pearls, coral, amber and other heads of chank and the imports were gold, musk, woolen cloth, and cow-tails.<sup>4</sup>

But the post-Plassey period presents quite a different picture. In all the three branches of trade—internal, inter-provincial and Asiatic, this period was marked by a decline<sup>5</sup> and gradual displacement of the Indian traders and merchants of the other European nations (the Dutch and the French) by the English merchants. Private trade of the English East India Company's servants, which had originated since the early years of its trading activities in India,<sup>6</sup> developed as a grave anomaly in India's economic history by this time. The Company's servants of all grades, including even the Presidents of Councils in the Presidencies, enjoyed the benefits of this private trade at the cost of the interest not only of the indigenous merchants, but sometimes also of the Company itself. The occasional admonitions

<sup>1</sup>Dow, *Hindustan*, I, pp. CII-CIII

<sup>2</sup>*Causes of the loss of Calcutta by David Rennie in Hill, Bengal in 1756-57*, III, p. 390

<sup>3</sup>Milburn, *Oriental Commerce*, II, p. 270

<sup>4</sup>*Memorandum of Bogle on the Trade of Tibet in Indian Historical Quarterly*, June, 1933

<sup>5</sup>Dow, *Hindustan*, I, CXIV-CXVI

<sup>6</sup>Bal Krishna, *Commercial Relations between India and England*, pp. 77-79

of the Court of Directors against its evils proved to be of no avail, as, prompted by self-interest, their servants in this country continued to urge for continuance of their private trade as a compensation for their low salaries, though their lot was not, in fact, very hard in view of the high purchasing power of money in those days.

Private trade of the Company's servants led to the abuse of *dastaks* or passports by them from the early years of the eighteenth century, if not earlier.<sup>1</sup> The members of the Council in Calcutta asserted during the administration of Shujauddin Muhammad Khan (1727-1739) that they were entitled to make use of *dastaks* for their private trade according to the *fi'man* of Emperor Farrukhsiyar (1716-17). But it was an absolutely wrong interpretation of this important document, which granted exemption from the payment of customs on the exports and imports of the Company as a corporate body, and vessels carrying these on behalf of the Company were required to have *dastaks* bearing on them the signature of the President of the Council in Calcutta as marks of identification to that effect. There was no provision in Farrukhsiyar's *fi'man* extending the privilege of the use of *dastaks* by the Company's servants for their own private trade in the country which was doubly objectionable. It caused a great loss to the exchequer of the Nawab's government by depriving it of a considerable amount of customs revenue and subjected the indigenous merchants, who had to pay customs, at an unfair competition and consequent embarrassment. Considerations of personal gains by the Company's servants sometimes affected the collection of the Company's investments, and so the Court of Directors occasionally asked the Council in Calcutta, 'to prevent the abuses of the *dastaks*' Whatever the Council in Calcutta pleaded to have done to check these evils, the anomalies caused by these persisted even in the pre-1756 period. David Raime wrote in August 1756 'The injustice to the Moors (Muhammadans) consisted in that being by their courtesy permitted to live here as merchants, to protect and judge what natives were their servants and to trade custom free, we under that pretence protected all the Nabab's subjects that claimed our protection, though they were neither our servants nor our merchants, and gave our *dustucks* or passes to numbers of natives to trade custom free, to the great

<sup>1</sup>Besides using such *dastaks* for their own private trade, the Company's servants also made illegal profits by selling these to some other traders

prejudice of the Nabab's revenue. <sup>1</sup>

Sirajuddaulah justly complained that 'the British had abused the privilege of trade granted them by their firman' which had 'hitherto been prohibited to all Europeans'<sup>2</sup> Feeble protests of *Mir Jafar* mingled with the air, and Mir Qasim's strong opposition to the abuses and sincere attempts to remove these cost him his throne. There was nothing to restrain the inordinate greed of the Company's servants for profits in private trade and complaints from various quarters passed off unredressed. 'A trade was carried on,' observed Verelst, an officer of the English Company with experience of Bengal affairs for several years, 'without payment of duties in the prosecution of which infinite oppressions were committed. English agents and *gomastas*, not contented with *injuring* the people, trampled on the authority of Government, binding and punishing the Nabob's officers, wherever they presumed to interfere'<sup>3</sup>

There was not much of exaggeration in the following complaint made by Mir Qasim to the Company's Governor in Calcutta in May, 1762. 'And this is the way your gentlemen behave; they make a disturbance all over my country, plunder the people, injure and disgrace my servants with a resolution to expose my government to contempt, and from the borders of Hindostan to Calcutta, make it their business to expose me to scorn. In every *Perganah* and every village, they have established ten or twenty new factories and setting up the colours, and shewing the dustucks (*dastaks*) of the Company, they use their utmost endeavour to oppress the *reiat*s, merchants, and other people of the country. . . Having established these new factories, they carry on such business as the Company never heard of; and every Bengal *gomastah* makes a disturbance at every factory and thinks himself not inferior to the Company. In every *perganah*, every village and every factory, they buy and sell salt, betelnut, ghee, rice, straw, bamboos, fish, gunnies, ginger, sugar, tobacco, opium, and many other things, more than I can write. . . They forcibly take away the goods and commodities of the *reiat*s, merchants etc. for a fourth part of their value; and by ways of violence and oppressions, they oblige the *reiat*s, etc. to give five rupees for goods, which are worth but one rupee. . . Near four or five

<sup>1</sup>S.C. Hill, *Bengal in 1756-57*, III, p. 384

<sup>2</sup>Orme, *Military Transactions of the British Nation in Indostan*, II, p. 189.

<sup>3</sup>Verelst, *View etc*, p. 46



hundred new factories have been established in my dominions; and it is impossible to express what disturbances are made in every factory, and how the inhabitants are oppressed'<sup>1</sup>

The Court of Directors took a reasonable view in this matter and asked the Council in Calcutta in their letter, dated 8th February, 1764 that 'from the receipt of this letter a final and effectual end be forthwith put to the Inland Trade in Salt, Betelnut, Tobacco and in all other articles whatsoever produced and consumed in the country; and that all European and other Agents, or *Gomasthas* who have been concerned in such Trade, be immediately ordered down to Calcutta, and not suffered to return or be replaced as such by any other persons' Pressed by the Court of Proprietors, they were prepared to allow their Company's servants, under certain restrictions, the indulgence of exemption from the payment of customs on exports and imports, 'which they had enjoyed for some time,' as the Court believed, 'by the connivance of the Bengal Government and constant usage.' But they justly held the view that the *firman* of Farrukhsiyar did not entitle them to carry on internal trade free of customs in articles of common necessity such as salt, betelnut and tobacco 'An unbounded thirst after riches,' the Court of Directors observed in their letter to the Council in Calcutta, dated the 26th April, 1765, 'seems to have possessed the whole body of our servants to that degree, that they have lost all sight of justice to the country government, and of their duty to the Company . .

In short, the specious arguments used by those who pretended to set up a right to it, convince us that they did not want judgment but virtue, to withstand the temptation of suddenly amassing a great fortune, although acquired by means incompatible with the peace of the country, and their duty to the Company.'<sup>2</sup> It was quite reasonable for the Court of Directors to consider 'the inland trade (of the Company's servants) as the foundation of all the bloodshed, massacres and confusion which have happened of late years in Bengal.'<sup>3</sup> Clive, in replying (on the 25th September, 1765) to a letter from Mr. Fowke, wrote. 'The trade has been carried on by free merchants, acting as *Gomastahs* to the Company's servants, who, under the sanction of their names, had committed actions which make the name of the English stink in the nostrils of a

<sup>1</sup>Vansittart's *Narrative*, II, pp. 97-102

<sup>2</sup>Verelst, *A View etc*, Appendix, p. 129.

<sup>3</sup>Vansittart's *Narrative*, II, pp 164-70

Gentoo or a Mussulman; and the Company's servants themselves have interfered with the revenues of the Nabob, turned out and put in the officers of the Government at pleasure, and made every one pay for their preferment.<sup>1</sup> In fact, the oppressions of the Company's servants, agents and *gomastas* in their trade in different parts of the province of Bengal continued unabated immensely adding to the sufferings of its merchants and common people.

The Court of Directors had in their letter to the Council in Calcutta, dated the 1st June, 1764, expressly ordered them 'to form a proper and equitable plan'<sup>2</sup> for carrying on the inland trade after consulting the Nawab. On his return to India on the 3rd May, 1765, as President of the Select Committee and Governor of the Company for the second time, Clive in concurrence with the Select Committee, established in 1765 a monopoly of trade in salt, betelnut and tobacco in the hands of an 'exclusive' Society formed for that purpose. Its shares were distributed among the Company's senior servants as a sort of compensation for stoppage of their internal trade. As *Diwan* the Company was to receive from this Society a duty of 35 per cent on salt, 10 per cent on betelnut and 25 per cent on tobacco. According to Verelst the formation of this Society stabilised the fluctuating prices of salt, and excepting at Calcutta and its neighbourhood the prices which the Society charged were 12 to 15 per cent lower than the average prices of salt in different parts of Bengal for several years past.<sup>3</sup> Even then the price of this article of common consumption was very high. The Court of Directors discountenanced<sup>4</sup> this monopoly plan of the Select Committee, and so the Society for trade in salt, betelnut and tobacco was abolished in October, 1768. This did not, however, stop the monopolistic control of the Company's servants over the internal trade of the province. They were still responsible for numberless abuses in this respect. Richard Becher, an experienced servant of the Company in Bengal, observed significantly in a letter, dated the 7th May, 1769, when he was Resident at Murshidabad (from 4th January, 1769, to 12th November, 1770): 'I well remember this

<sup>1</sup>Malcolm, *The Life of Robert Lord Clive*, II, p. 380

<sup>2</sup>Verelst, *A View*, etc., Appendix, p. 128

<sup>3</sup>*ibid*, pp. 113-17.

<sup>4</sup>Letters from the Court of Directors to the Council in Calcutta, 19th February 1766, and 17th May, 1766.

country when Trade was free, and the flourishing State it was then in; with concern I now see its present ruinous condition which I am convinced is greatly owing to the Monopoly that has been made of late years in the Company's Name of almost all the Manufactures in the Country.<sup>1</sup>

After the English East India Company's victories at the decisive battles of Plassey, Bedara, Wandiwash and Buxar, their servants were emboldened to intrude vigorously into the sphere of India's internal trade. Their *Gomastas* were guilty of numerous oppressions and the abuses of *dastaks* continued. The Council in Calcutta were 'convinced' of the 'numberless abuses, the *Gomastahs* of Individuals are guilty of in every part of the country but more particularly so the more Remote their Residence is from the Presidency.'<sup>2</sup> So on the 18th May, 1768, they passed a Resolution 'positively to prohibit under the severest Restrictions all persons whatever except the Natives (Musselmen and Hindoos) from carrying on any Trade or Traffic beyond the Provinces of Bengal, Bihar and Orissa etc and also to Recall all *Gomastahs* employed by the English that were out of these Limits'<sup>3</sup> But the abuse of *dastaks* was still rampant. The Court of Directors observed in their letter to Bengal, dated the 11th November, 1768.<sup>4</sup> 'We take notice in the Register of *Dustucks* of the names of many who are not Company's Servants, this requires an explanation for we do not mean to vest in our Servants abroad a Power to confer such Privileges on any Person whatever not entitled thereto by being a Convenanted Servant. We further observe in the Import *Dustucks* many articles that are not for Exportation, such as Bamboos, Tabacco etc and consequently are an Eneachment on the right of the Natives and a deviation from the Spirit of our Order.'

Warren Hastings made some attempts to remove the abuses in internal trade. By his Notification, dated the 16th February 1773, the Company's servants were prohibited from using *dastaks* for their private trade from the 12th April next. But servants of the Company, who had so long used *dastaks*, were given certificates on payment of the established duty of 2½ per cent 'upon their making affidavit that

<sup>1</sup>Monckton Jones, *Warren Hastings in Bengal*, pp. 82-83. Richard Becher was Resident at Murshidabad from 4th January, 1769, to 12th November, 1770

<sup>2</sup>Letter to Court, 13th September, 1768, para 58.

<sup>3</sup>ibid.

<sup>4</sup>Para 90.

the goods on which such imports were levied were on their own account.' Such certificates 'enabled them to claim a drawback from the revenue.' Hastings pronounced it to be 'a good regulation, and the first effective step to free trade.'<sup>1</sup> Further, Clause 27 of the Regulating Act of 1773 declared that it 'shall not be lawful for any Collector, Supervisor, or any other of His Majesty's subjects, employed in the administration of justice, or their agents or servants, to buy any goods by way of trade, at any place within the provinces of Bengal, Bihar and Orissa, and to sell the same again; and it shall not be lawful for any of His Majesty's subjects in the said provinces to engage directly or indirectly in the inland trade in salt, betel-nut, tobacco or rice, except on the account of the Company, on pain of forfeiting all such goods, and treble the value thereof.'

But these injunctions were too ineffective to eradicate the prevailing evils in the sphere of internal trade. The servants of the Company had still 'collusive' private commercial transactions in Bengal through various means.<sup>2</sup> In fact some efforts of Warren Hastings to remove the impediments to internal trade proved futile. Cornwallis wrote in his letter to the Court of Directors, dated August 2, 1789: 'I am sorry to be obliged to say that agriculture and internal commerce has for many years been gradually declining, and that, at present, excepting the class of *Shroffs* and *Bainans*, who reside almost entirely in great towns, the inhabitants of those provinces were advancing hastily to a general state of poverty and wretchedness.'<sup>3</sup>

Asiatic trade of the Indians also declined and the servants of the Company were able to monopolise it gradually. The Select Committee in Bengal wrote to the Court of Directors on the 26th September, 1767, that the trade with the Gulfs of Mocha and Persia then 'at the highest estimation, cannot exceed five or six lakhs a year.' In their letter to the Council in Calcutta, dated the 11th November, 1768, the Court of Directors observed: 'We perceive the Trade to the Gulph bears no sort of proportion to what it was some years since and an increase of 20 lakhs in our demands for our Europe Cargoes cannot be set against the diminution of the great Exporta-

<sup>1</sup>Hastings' Letter to Sir George Colebrooke, 3rd April, 1773, Gleig, *Memoirs of Warren Hastings*, I, p. 308.

<sup>2</sup>N.K. Sinha, op. cit, I, pp. 74-96.

<sup>3</sup>Letter to Court, dated 2nd August, 1789. Ross, *Cornwallis Correspondence*, I, p. 354.

tion which used to be to Judda and Bussorah which formerly yielded a return of Thirty or Forty Lacks in Gold and Silver and now you represent it as not yielding a return of more than five or six.'

Trade in some places of India, because of their attractive geographical position, were not so badly affected as yet. Thus referring to Surat in 1772, as 'one of the greatest emporiums in India,' Forbes writes: 'The bar, or sandbank, where the ships anchor, and discharge their cargoes, is generally crowded with merchants-vessels from the commercial nations in Europe and Asia; the city exhibits a busy multitude of Hindoos, Mohammedans, Parsees, Jews, Turks, Armenians, Persians, Arabians, Greeks and other Asiatic strangers besides the Europeans, whose factories have been already mentioned, it is also frequented by merchants from Malaca, China, Abyssinia, Mosambique, Madagascar, and the Comorro isles; and by numerous traders from the seaports and inland provinces of Hindoostan.'<sup>1</sup> But there is no doubt about a general decline. Soon after assuming charge of the Government of Bengal, Warren Hastings took some steps to revive the trade with some Asiatic countries. He had a correspondence with Ali Beg, the Pasha of Egypt, for 'the interest of commerce.' A ship 'laden with cargo of Indian manufactures was despatched to Jedda with letters to the Governor of Egypt and the Pasha and Sheriff of Jedda requesting them to revive and continue the trade with India and to reduce the duties to a desirable extent.'<sup>2</sup> The treaty, concluded between the East India Company and the Raja of Bhutan on the 25th April, 1774, contained a clause by which the merchants from Bhutan were to be allowed to come to Rangpur every year with their caravan without payment of any duty. On the 13th May, 1774, Hastings deputed William Bogle<sup>3</sup> on a commercial mission to Tibet, but the untimely death of the Lama prevented fulfilment of his desire in this respect. Hastings' Government issued an advertisement on the 26th March, 1778, prohibiting trade 'to any other port in the Red Sea except Jedda and Mocha.'<sup>4</sup> But none of these measures produced satisfactory results. Hastings remarked in November, 1780, 'the trade of the Gulphs has been declining for some years. and now absolutely stopped, ships

<sup>1</sup>Forbes, *Oriental Memoirs*, I, pp. 244-45.

<sup>2</sup>*Calendar of Persian Correspondence*, IV, pp. IX, 121-22

<sup>3</sup>*Indian Historical Quarterly*, June, 1933.

<sup>4</sup>Quoted in J.C. Sinha, *Economic Annals of Bengal*, p. 165.

are prohibited from going to Suez, the heavy duties extorted at Jedda have put an end to the trade to that port, the troubles between the Turks and Persians have for some time prevented the sale of goods at Bussorah and Bushire.<sup>1</sup>

During the closing years of eighteenth century, there were some signs of revival in certain branches of India's trade and to some extent again after 1813. Milburn wrote in 1813: 'Bengal, with the adjacent allied provinces, far exceeds the other Presidencies in population, wealth and rich productions for commerce, and is the attractive centre of the British power in the East. A constant, extensive and profitable commerce is carried on from Bengal with all parts of India, with China, various parts of Europe and America.'<sup>2</sup> But this meant no gain to the people of this country, as all branches of trade had passed under British control. On the whole, there was progressive decline in India's foreign trade after 1813, except in the Company's China trade from here which began to grow thereafter. India's chief exports to China were bullion and opium, and the other exports were piecegoods, raw cotton (from Bombay upto 1802 and thereafter from Bengal), grain, saltpetre, canvans and gunnies and some other minor articles. The imports were a variety of goods such as alum, beads; camphor, nankeens, piece-goods; liquors, pepper, tutenague, sugar and sugarcandy, spices, metals, paper goods, vermilion, drugs, china-ware, etc.

This gradual decline of India's Asiatic trade from 1757 was due to several factors having their origin chiefly in the disturbed political conditions in different parts of Asia and also in India. The Asiatic countries were seriously tormented by acute disorders in the wake of the dismemberment of the Ottoman Empire and particularly after the assassination of Nadir Shah and all this grievously affected their economic transactions. Dow wrote about 1770: 'The Turkish empire has long declined on its southern and eastern frontiers. Egypt rebelled, Babylonia, under its Basha, revolted, The distracted state of the former has almost shut up the trade, by caravans, from Suez to Cairo; from the latter of which, the manufactures of Bengal were conveyed by sea to all the ports of the Ottoman dominions. The rapacity of the Basha of Baghdad, which is increased by the necessity of keeping a great standing force to support his usurpation, has envi-

<sup>1</sup>ibid, p. 166

<sup>2</sup>Milburn, *Oriental Commerce*, II, p. 111.

roned with terror the walls of Bussora, which circumstance has almost annihilated its commerce with Syria . . . Trade is in a manner unknown; the merchants of Bussorah are ruined; and there were, last year, in the warehouses of that city, of the manufactures of Bengal to the value of two hundred thousand pounds which could not be sold for half the prime cost <sup>1</sup>

In India, the mid-eighteenth century wars and revolutions, and consequent disorder as well as maladministration, caused grave social insecurity with highly devastating effects on the economic conditions of her people. Referring to Cambay, Forbes wrote: 'Cambay was formerly celebrated for manufactures of chintz, silk and gold stuffs, the weavers are now few and poor, nor is there a merchant of eminence to be met with, except the brokers under the English protection.'

Another factor, which contributed to the ruin of this trade, was vexatious interference and imposition of heavy customs duties at the *chowkeys* or customs-stations that grew in large numbers<sup>2</sup> in the kingdoms of the respective provincial governors, who, by making themselves independent on the ruins of the Mughal empire, framed district customs and transit rules in their respective areas. Besides this, the zamindars, farmers and other local chiefs exacted customs called *sayer*, so that duties were levied upon 'every article of commerce and necessary of life' either in the course of their transit from one place to another or at the places of sale.

The state of affairs regarding the exaction of duties was thus reported by the Chief and Council at Patna to the Council in Calcutta on the 15th June, 1772. 'When a merchant pays the duty of the *Khalsa* he receives a pass from the *Daroga* which exempted him from any further demand on account of the established duties but every different *Chowkey* collected a small custom under the name *Chillayun*. The zamindary duties are collected by every zamindar—Talookdar at his own *Chowkeys* notwithstanding the merchant may have paid duties at other *Chowkeys*, in the same *paragana*.'

The Company's government also levied customs of two kinds, viz the Calcutta customs or town duties and the Government customs. The former were 'collected by the Company in virtue of their an-

<sup>1</sup>Dow, *Hindustan*, I, pp CXIV-CXVI.

<sup>2</sup>*ibid*, p. CXV

cient factorial rights and were leviable on all goods whatever, imported in Calcutta, by land or by water, whether for consumption in the town, or for the purpose of subsequent export.<sup>1</sup> The Government customs duty of  $2\frac{1}{2}$  per cent was realised by the Company on the strength of the *Diwani* grant of 1765, on all articles exported from or imported into Bengal, Bihar and Orissa, by land or water, 'whether by British-born subjects, foreigners or native'<sup>2</sup> To encourage free circulation of goods the Court of Directors wanted to abolish *dastaks* and to reduce the number of *Chowkies* or customs-stations. Before implementing the orders of the Court of Directors in this respect, the Governor and Council in Calcutta obtained necessary information from their officers in different areas. Thus they wrote to the Chief and Council at Patna on the 18th December, 1771. 'The Hon'ble the Court of Directors having been pleased to order the abolition of *Dustucks* throughout all their territories and that for the encouragement and greater freedom of commerce all *Chowkies*, except the Nine General ones which have been established for collecting the duties payable to the *Circar* (government) should be withdrawn. We are to desire as a previous step to the abolition of *Dustucks* and to enable us to settle matters on such a footing that no obstruction of Trade may ensue from so universal an alteration throughout the country that you will inform us of the number and Situation of the established fixed *Chowkies* for collecting the duties of the *Circar*, and that you will issue positive orders for the withdrawing of all *Chowkies* in every part of the Districts under your charge both on the river and within land excepting those General ones, signifying at the same time to all the zemindars and others that should any one of his own accord attempt to establish any petty *Chowkey* in his District, such a conduct will meet with our severest resentment.

You will likewise transmit us as early as possible accounts of the established Duties paid or which ought to be paid by the Gentoos, the Moors, and the Armenians as well as by the different European nations settled in Bengal, remarking by whom and in what manner such duties have been established with the mode of collecting them.

As the Directors are pleased to order that each of those Nine *Chowkies* shall be under the superintendence of one of their servants

<sup>1</sup>Harrington, *An Elementary Analysis of Bengal Regulations*, III, p. 59.

<sup>2</sup>*ibid.*



and the execution of their business requiring the full number that is on this establishment we desire that the *Chowkey* at your city be superintended by one of your assistants and those in the distant Districts under your management by the Supervisors of the Districts, and you are to inform those Gentlemen that they are to keep proper registers of the collections of the Duties and that 10 days after the expiration of every month they are to send to your Board in order to be forwarded to the Comptrolling Committee of Revenue their monthly Accounts minutely specifying the names of the persons who pay the Duties, the number of boats, the quantity of goods, the name of the person to whom they belong, the day of payment, the time such cargoes are detained and when dispatched with a state of all transactions whatever and they are to be careful that the passage of all goods which pay the established Duties be facilitated of all possible dispatch and without the least impediment.

They are also to be informed that for all duties which may be paid by Company's servants who by their rank have hitherto been entitled to *Dustucks* they are to grant certificates to the owners of having received such an amount on account of duty for such goods.

The regulations<sup>1</sup> are to be strictly attended to and carried into execution with all possible dispatch when the interior *Chowkies* are all withdrawn and Company's servants have taken over the General ones under their immediate inspection. We desire you will advise us thereof that our further orders may be issued relative to *Dustucks*.' By the middle of June, 1772, the Council at Patna forwarded to the Council in Calcutta copies of relevant papers about collections of duties in Bihar.

On the 23rd March, 1773, Warren Hastings' Government passed the following regulations<sup>2</sup> regarding the customs:

- (a) All road duties and all 'the interior *Chowkeys* belonging to the 'Gunges known by the denomination of Faunde'es' are to be abolished, and 'every merchant shall be at liberty to carry his merchandise wherever he thinks proper for sale.'
- (b) 'Every other article of foreign or internal trade, except salt, Betel-nut and Tobacco shall pay a duty of Rs. 2½ per cent distinct from the Company's duty realised in Calcutta
- (c) A Board of customs was to be appointed 'to inspect, regulate

<sup>1</sup>For some other relevant papers vide Appendices B, B<sub>1</sub>, B<sub>2</sub>, C.

<sup>2</sup>Monckton Jones, *Warren Hastings in Bengal*, pp. 244-45.

and control the whole business of the customs '.

- (d) Five customs houses to be established and stationed at Dacca, Calcutta, Hugli, Murshidabad and Patna 'under the control of the above Board.'
- (e) In addition to these customs Houses, '*Chowkeys* are to be erected to collect the duty on goods exported to the westward through the passes of the hills bounding Midnapore, Bissonpore (in the Bankura district), Patcheat (Pachet—modern Raniganj area) and Bhurbhum (Birbhum), and another for collecting the duties on goods exported to the Northward by the Sonassy (*Sannyasi*) merchants from Maldah to the upper parts of Hindustan '.
- (f) That 'a *rowannah* passed at any one of the custom Houses shall be current throughout the provinces and being endorsed by the Collector, the goods shall pass without interruption or further examination than that of satisfying the Collector the number of boats in the fleet corresponds with the number specified in the *rowannah* '.

Hastings considered the plan containing the abovementioned proposals, 'to be simple, calculated for the freedom of trade.' He also claimed that due to these 'the goods pass unmolested to the extremities of the province.'<sup>1</sup> But these had no considerable effect in removing the prevailing anomalies in internal trade.

Thus one Udit Ram Tiwary, a Surat merchant trading in Bihar, complained to the Revenue Council at Patna in November, 1774, that one hundred rupees had been exacted from him at Patna as duties on his goods passing to Banaras.<sup>2</sup> One Bijai Ram and some other merchants, who traded in ghee, mustard seed, tobacco etc. in North Bihar, purchased these articles in 1774 in Tirhut, Syressa (Sarisa), Nagarbasti and Bissera and paid Government dues to obtain *Rowanahs* (permits). They complained to the Board of Revenue that a certain *zamindar* of *paragana* Sarisa had collected a duty of Rs. 38/- from them by force.<sup>3</sup> Similarly *Rahadary* duties were exacted from some *Maylus* by certain *zamindars* when the former were proceeding with salt to Darbhanga.<sup>4</sup> On complaints being made to the Provincial Council of Revenue at Patna about

<sup>1</sup>Letter to Josias Dupre, 9th March, 1773 Gleig, op. cit., I, p. 304

<sup>2</sup>Proceedings of the Board of Revenue, 28th November, 1774.

<sup>3</sup>Ibid, 8th December, 1774.

<sup>4</sup>Ibid, 12th December, 1774.

these exactions they warned the persons concerned. But this also did not have much effect. Next year some merchants proceeding to Banaras with goods were forced to pay duties although they showed a *Rowanah* (permit) from Calcutta. The Revenue Council at Patna sent an immediate order to the *Jagirdar* of Daudnagar, 'forbidding him to exact *Rahadary* duties on any merchandise whatever . . . or to give any interruption by other means to the Trade of that place and free passage of merchants'.<sup>1</sup> Some merchants of Monghyr represented to the Revenue Council at Patna that 100 of their bullocks coming from Ramgarh, loaded with iron, were stopped at Nawadah and were asked to pay *Rahadary* duty of one rupee for each bullock.<sup>2</sup> The Council immediately sent a *dastak* 'for the immediate release of the bullocks, and for the attendance of the accused to undergo a trial'. The *Chaukidar* of Nawadah 'having confessed that he had detained the bullocks of certain persons, was ordered to be punished publicly by the Council.'

The Government of Warren Hastings had already issued some instructions for removing impediments to free internal trade. Thus the Council in Calcutta wrote to the Provincial Council of Revenue at Patna on the 14th March, 1775. 'In addition to the instructions transmitted to you on the 9th instant we desire that you will apply your utmost care and attention to encourage and promote a free trade through your respective Districts internally and a free intercourse of Import and Export Trade as well with the neighbouring Districts as with countries bordering on these Provinces and that you will give every encouragement in your power to foreign merchants to carry on their Traffick with these Provinces as in former time.

That in general you give your utmost care to keep the public markets free and open, and to prevent forestalling, and that no monopolies whatsoever be exercised by any individual, whether Natives or Europeans, nor any Rates or Duties or Impositions whatsoever levied on the several commodities or Merchandise brought to Market or introduced for sale by foreign merchants, excepting the known and fixed customs authorised by Government.'

Notwithstanding such steps on the part of the Company's Government, interested persons did not stop realisation of *Rahadary* duties from the traders. On the 28th November, 1786, the Board of

<sup>1</sup>ibid, 24th April, 1775.

<sup>2</sup>ibid, 27th April, 1775.

Revenue in Calcutta wrote to Mr. S.G. Heatty, Chief of Purneah: 'Having received information that notwithstanding the repeated orders of Government for abolishing all *Chawkies* and *Chandies* for the collection of *Rohadarry* and *Chillunta* duties such exactions are still continued and particularly on goods transported by water carriage in different Districts, to the great vexation of merchants and injury of trade, we think it necessary to empower you, in case of any future exaction whatsoever, under the general denomination of a *Rahdarry* or *Chillunta* duty on proof thereof, as well to oblige the immediate offender to refund the money exacted, as to inflict corporal punishment on the spot where he shall make such exactions. And having done this we desire you will immediately communicate to us the name of the person in whose Territory such offence shall be committed, when whether *zemindar*, *Chowdry*, *Talookdar* or other landholder, he will be punished as declared in the enclosed publication which we desire you will make as public as possible in your District translating it (if the accompanying Persian and Bengal versions are insufficient) into every other dialect necessary for the general information of the inhabitants

Having thus vested you with a power of punishment, we look to you for the complete suppression of the pernicious practice above cited by the most active and constant vigilance which, if exerted, cannot fail to ensure obedience to the orders of Government.'

Some measures were adopted by Cornwallis also to facilitate free movement of merchandise. In June, 1787, the Collectors were 'directed to enforce the repeated orders of Government for the abolition of the *Zamindaree Chowkies* at which the *Sayer Chelluntah* or transit duties were collected.' Towards the end of June, 1788, Cornwallis abolished Government customs duty, though Calcutta town duties remained, and the five customs-houses, established by Hastings, were withdrawn. A new customs-house was established at Manji at the confluence of the Ganges and the Gogra for collection of duty of  $2\frac{1}{2}$  per cent on goods exported from or imported in to the Company's territories in Bihar, Bengal and Orissa by that route.

But these could not in effect remove the restraints on internal trade in the Bengal Presidency. The *zamudars* continued to levy the transit duties on goods passing through their respective jurisdictions. The Company's Government passed a resolution on the 28th July, 1790, for the abolition of 'all duties, taxes and other collections

coming under the denomination of *sayer*.' But by Regulation XII of 1795, they re-established the Government customs duty of  $2\frac{1}{2}$  per cent on the exports from and the imports into the port of Calcutta. Some other Regulations were passed by them in the course of a few years regarding the inland transit duties. But with all these the merchants continued to be hampered in their trade on account of vexatious practices on the part of the customs officers stationed at many places. For example, a merchant going from Futteghur to Calcutta would meet a search-house every ten miles besides the regular customs-house of the East India Company, and his goods would be examined at each one of these centres. Often the customs-officers made illicit gains in releasing the goods of the merchants for whom these meant additional burdens besides the Government customs.

#### *Foreign Trade: Non-Asiatic*

Indian's world-wide commerce bringing in return immense profit was one of the most important factors in promoting her economic prosperity, before she was confronted with some adverse forces generated by the political revolutions in and outside the country and also by the Industrial Revolution of the West.

Under the influence of Renaissance, and the geographical discoveries of the fifteenth century, the nation states of Europe were inspired by a new spirit of adventure in distant and untrodden lands. This brought the traders of those countries into direct contact with India. The Portuguese being the first of them to come here, were followed by the French, the English and the Dutch, all of whom had trading settlements in different parts of India and obtained certain concessions from the Mughal ruling authority at the centre and its governors in the *subahs*. By the middle of the 18th century, however, the Portuguese trade in India went down to the lowest ebb. Referring to the depressed state of Goa then, the Portuguese Viceroy of India observed in a letter, dated the 14th December, 1758. 'The extreme poverty of this people is such that it seems irremediable. all, both great and small, each in their own degree, grow under the weight of misery, in such discouragement that they dare not even dream of the means of relief.'<sup>1</sup> The Danes had left their settlements along the Hugli in 1714, but re-established

<sup>1</sup>Bal Krishna, *Commercial Relations between India and England*, p. 230

themselves at Serampore in 1755. Trade of the Danish Company was not very considerable, and it showed some improvement only during the War of American Independence, when the English 'sent to England their goods in Danish vessels to escape their enemies' battleship'<sup>1</sup> The Danes started a factory at Patna in 1774-75.<sup>2</sup> Some minor trading Companies like the Ostend Company and the Swedish Company had transactions for a short period. The Ostend Company, floated by the merchants of Flanders and formally chartered in 1722, was permitted by Murshid Quli Jafar Khan to establish a factory at Bankybazsar, situated on the eastern side of the Hugli river at a distance of fifteen miles above Calcutta. The Dutch, the English and the French soon became jealous of their commercial prosperity and tried to harass them. It was in 1744 that they were finally driven out of the Hugli river by the Nawab as they did not show proper regard for his authority.<sup>3</sup> The French and the Dutch were the active competitors of the English in Indian trade till the progressive decline and almost complete extinction of trade of the first two as a result of the victories of the English against them in India and elsewhere from the middle of the eighteenth century.

In the pre-Plassey period 'the trade of Bengal supplied rich cargoes for fifty or sixty ships yearly.'<sup>4</sup> As a result of a new spirit of adventure among the Europeans after the War of American Independence, about three hundred ships came to Calcutta from Europe, most of these being of the nations who had no settlements in India.<sup>5</sup> Milburn writes that after the peace of 1783 on the termination of the War of American Independence, 'the ships of several states, which had no settlements in India, as the Americans, Tuscans, and Genoese, began to resort thither, particularly to Bengal, and as they might, if refused admission into the English settlements, have proceeded to those of the French, Dutch, Danes, or Portuguese, the same policy which recommended the admission of the flags of these powers, was extended to those of other friendly countries. The French, Dutch and Danish possessions having since fallen into our hands, besides an increased foreign resort

<sup>1</sup>J.C. Sinha, *Economic Annals of Bengal*, p. 22

<sup>2</sup>Vide Appendix 'D'

<sup>3</sup>*Indian Historical Quarterly*, XVI, 1940

<sup>4</sup>Grose, *Voyage to the East Indies*, II, p. 238

<sup>5</sup>H.R. Ghoshal, *Economic Transition in the Bengal Presidency*, p. 224fn

to our other ports, Calcutta has therefore become the seat of almost the whole export trade of Bengal.<sup>1</sup>

The history of India's foreign trade in the eighteenth century, roughly speaking, from 1707 to 1813, can be conveniently studied in three distinct periods—the first from 1707-1708 till 1756-57, the second 1757 to 1793 and the third from 1793 to 1813. During the first period, the trade of the English East India Company in India gradually prospered, in spite of some adverse circumstances such as wars in Europe and India from 1740 to 1748 and in India only from 1749 to 1754, disturbances caused by Maratha inroads into the Carnatic and Bengal, occasional interruptions from some local officers, and then competition of the Americans, the French and the Dutch, though French trade in Bengal<sup>2</sup> began to decline after the transfer of Duplex from Chander-nagore to Pondicherry in 1741. The private trade of the Company's servants was growing, though the Company took 'all the caution possible' to 'prevent private Traders interfering with the Company's Trade.'<sup>3</sup> The factories of the English East India Company in Bengal and at other places were growing in number. We read in contemporary correspondence between the English East India Company's officers in Bengal and their masters in England that the Chiefs and other officers of the respective factories were subject to strict control of the Council in Calcutta, the goods supplied by them were carefully scrutinised, and they were frequently instructed to improve the quality of goods. To procure sufficient quantity of exports from this country, the English Company sometimes advanced money (*dadni*) to the *dalals* (brokers) merchants and manufacturers.<sup>4</sup> They were thus 'invested with a previous right in the goods for which they contracted; and hence

<sup>1</sup>Milburn, *Oriental Commerce*, II, pp. 132-33.

<sup>2</sup>In 1732-33, the French in Bengal sent 'home five ships directly for Europe' *Letter to Court*, 16th January, 1733, para 11. The Council in Calcutta wrote to the Court of Directors on the 26th December, 1733: 'Cannot but see with much concern the French extending their Traffick as they do, and it is their great Misfortune it happens at this time on Account of the great Increase of their Europe Tonnage and glutting the Markets, which has prevented them from lowering the prices of goods so much as they could desire, the great increase of the French private Trade makes theirs hardly answer the Risque (risk) of sending out ships.' para 16.

<sup>3</sup>*Letter to Court*, 16th January, 1733, para 98

<sup>4</sup>N.K. Sinha, *Economic History of Bengal*, I, chapter 2

their purchases in India acquired the name of investment<sup>1</sup> the demand for which had grown 'much greater than formerly.' In spite of various precautions on the part of the East India Company to secure timely supplies of goods, the merchants occasionally failed to make good their contracts and pressed for more *dadni*. So from June, 1753, the Company changed their method of procuring investments in Bengal. Instead of entering into contracts with the merchants for their supply, they began henceforth to collect these direct from the *aurungs* through their own *gomastas* or agents.<sup>2</sup> The changed method had immediate success for the English Company. Referring to it, the Court of Directors wrote to the Council in Calcutta on the 11 February, 1756 'It is with great satisfaction we observe the success your new method of providing the investment by *gomastahs* at the *aurungs* has met with, as it is a plan that hitherto seems to be the best calculated to answer every desirable purpose, not only with respect to the quality and price, but likewise the quantity of the goods to be provided.'

But ultimately this method produced baneful effects. Through it the *gomastas* and agents of the Company frequently abused their powers, as Verelst writes with local experience, 'to their own emolument, and an authority given to enforce a just performance of engagements, became, notwithstanding the utmost vigilance of higher servants, a source of new oppression.'<sup>3</sup> In the post-Plassey period their influence 'proved so destructive of industry' that the Council in Calcutta 'restored the old method of forming the investment, by contracting solely with merchants in different parts of the country.'<sup>4</sup>

On realising the evil effects of the method of procuring investments through *Gomastas* and *Dalals*, the Court of Directors wrote to the Council in Calcutta<sup>5</sup> on the 10th April, 1771: 'As freedom in trade is necessarily productive of its increase, the mode of providing your investments by *Gomastas*, *Delols* and *Pykars* must be a perpetual bar to that freedom which we are so solicitous to establish. We therefore hereby order and direct that you revert to your former practice of

<sup>1</sup>Grant, *A Sketch of the History of the East India Company*, p. 67

<sup>2</sup>Letter to Court, 18th January, 1754

<sup>3</sup>Verelst. *A View of the Rise, Progress and Present State of the English Government in Bengal*, p. 85

<sup>4</sup>*ibid.*

<sup>5</sup>Paras 17-22.



providing investments by contracts with *Dadney* merchant . . . . invite as great a number of Merchants to deliver proposals, and make your contracts as extensive as possible . . . .<sup>1</sup> But Cartier and his Council did not implicitly carry out this order of the Court of Directors. They wrote to the Court in March, 1772: 'Your orders for resuming the mode of *dadney* being positive, we should be the more cautious of the least deviation from them. But when we consider that by an adherence to the letter of those orders under the circumstances already described the spirit of them would be totally lost, we are convinced that we shall stand justified in your eyes for considering ourselves to be under the necessity of suspending the execution of them until it can be done in a manner more consistent with your immediate interest and the general good of the country. In the meantime we flatter ourselves and are indeed persuaded that the spirit of your intentions will be better fulfilled by the establishment of regulations as with every degree of vigilance and circumspection on our part shall appear to be adapted for the attainment of those objects which you have so powerfully recommended, namely the improvement of your investment and the general freedom of trade.'<sup>2</sup>

Before the re-introduction of the contract system Regulations were passed by the Company's Government in May, 1775, 12th June, 1775 and 31st August, 1775, to bring the weavers under the control of the English Company, so that they might not evade supplying goods according to advance money received by them and might be prevented from supplying goods to others as they were occasionally accustomed to do. Thus the Regulations of 31st August, 1775, provided

1. 'Weavers from whom Balances are due to the Company shall discharge those Balances by engaging to work cloth to the Amount of them unless they are willing to enter into fresh engagements in which those Balances shall be included but they shall not be compelled to receive Advance on any Account or pretext whatever.

2 That weavers having executed Engagements to the Company and received the Company's advances shall deliver cloth accordingly.

3. That upon any Weavers failing to deliver cloth according to the stated periods agreed upon the Company's agents shall be at

<sup>1</sup>Court's Letter, 9th March with postscript, dated 27th March, 1772.

<sup>2</sup>From Governor General and Council to the Chief and Council at Patna. Fort William, 31st August, 1775.

Liberty to place peons upon them, and keep them under Restraint.

4. That if any Weaver in the Company's Services shall be convicted of selling cloth to private Merchants whilst he is deficient in his Deliveries according to the stated periods of his Agreement with the Company such offender shall be punished in a regular process and conviction in the Judicial Court before the officers appointed to prosecute such enquiries by the Regulation established in the orders of the Board of the 14 of March.

5. That Peons shall not be sent either from the Provincial or *Pergannah* Courts to oppress Weavers in the Company's service unless in case of some heinous offence, but orders shall be sent to the Company's *Gomastahs* to produce them by a certain day.

6 On any charges against any of the *Gomastahs* applications shall be made by the Provincial Chief to the Commercial Chief who shall cause the *Gomastah* to appear before the Council or courts of justice to answer to the charges against him, a copy or the charge shall be delivered at the same time to the Commercial Chief and a copy of the proceedings when the enquiry shall be concluded but if the *Gomastah* should engage in any Revenue Business no Attention shall be paid to the Character he bears as *Gomastah* to the Company but he shall be sumonded in the same manner and made equally amenable to the Provincial Council and the Court of Dewanee as any other Renter or Dependent of the Collection.

7. The *Darogas* of the *Pergannah* Court of Justice shall not be authorized to punish or place peons on the Company's *Gomastahs* nor to arrest their persons except on default of obedience to the summons of the *Darogahs* which shall be written in the following Form. To A-B. Gomastah of C. Aurung you are hereby required to repair immediately or to send a *Vakeel* in your stead to the *Moffusil Adawlut* of this *Pergunnah* to answer to such Complaints as there shall be laid against you. In this do not fail and that it be a Rule that on the appearance of the *Gomastah* or his *Vakeel* before the court in consequence of every such summons, the charge against him be instantly given to him in writing and the Evidence in support of it examined after which a reasonable time shall be allowed him to make his Defence but no additional charge shall be received against the *Gomastah* in the original cause until the judgment of the court shall have been taken upon it, every evidence and exhibit shall be admitted from both parties without an option in the court to reject them and the whole proceedings of the court with their

judgment upon every case shall be transmitted to the Dewanny Adaulut of Dacca further revised and confirmed.'

Though at first opposed to the change for the contract system Warren Hastings ultimately acquiesced in the orders of the Court of Directors, and re-introduced the contract system for providing investment. But the contractors of the Company were also oppressive on the weavers and the contract system was responsible for some abuses. 'The East India Company's name was freely used in Investment business. The contractors regarded themselves as the Company's representatives and the company also let them use freely the power of coercion in the Company's name. Advances to the weavers in reality meant preemption'<sup>1</sup> Some weavers of Bihar represented as follows to the Provincial Council of Revenue in July 1776: 'We who provide the Company's cloth with great labour formerly wove 2 pieces per month in each House and though by these means it was with much difficulty that we acquired a sustenance, nevertheless we continued our toil for the cloth, but Chijjoo Nutt, son-in-law of Raggo Nutt Saw fixed 43 Sonaut Rs. for 20 Rs. though we were before allowed *Siccas*. Moreover he tears the first piece, shown to him, grants us only Rs. 1-8 per piece beats us with stick and places peons over our Houses who oppressively extort heavy *Tullabanah*. We cannot thus exist, our families dying for want. These hardships we hope may be redressed and that you will order us to receive the just rewards of our labour, and pursue the Company's business without pain or ill-treatment.'<sup>2</sup> In the same month Khooshlal and other weavers of *Parganas* Arrah and Punwarah (in the Shahabad District) represented to the Council of Revenue that Raghunath Sing *Gomasta* used to go to them and compel them to dispose of their cloths to him at the rate of Rs. 1-12 and 1-10 per piece, when these were sold in the *bazar* at the rate of Rs. 2-8 and 2-12 per piece. In support of their complaint they furnished the Council with two pieces of cloth and asked for a *parwanah* to be issued to prevent such oppression.<sup>3</sup> In 1788 Cornwallis re-established the agency system. But still there was no relief for the poor weavers due to the rapacity of the Company's middlemen.

The chief exports of the European Companies from India were cotton and silk piecegoods, raw silk, saltpetre, sugar and pepper, opium from Malabar and indigo till 1724 and again after the out-

<sup>1</sup>N.K. Sinha, op. cit, pp. 151-61.

<sup>2</sup>Proceedings of the Council of Revenue, 22nd July, 1776

<sup>3</sup>ibid, 25th July, 1776.

break of the War of American Independence. The principal articles which the Dutch imported from Europe were precious metals, especially silver, and woollen goods. They imported copper from Japan, tin and spelter from the Malaya Peninsula, and pepper, cloves mace and nutmegs from islands of the Dutch East Indies. They also brought bullion in large quantities. Sometimes the Portuguese, the Danish and Swedish ships imported some goods. Thus in 1733 they brought a large quantity of iron which was sold in the Coromandel coast. The Danes sold their iron there for nine pagodas per Candy.<sup>1</sup>

The imports of the English Company were very much the same as those of the Dutch. Between 1708 and 1756 the proportions of bullion to merchandise imported by the English to the three Presidencies of Bombay, Madras and Calcutta were Bombay 57 p.c., Madras 84 p.c. and Bengal 74 p.c.<sup>2</sup> Other imports were lead,<sup>3</sup> iron, copper, quicksilver, stones and provisions, and varieties of minor articles including stationery. The Company's people tried much to push the sale of European goods in India though they did not always get the expected profit. The Council in Calcutta wrote to the Court of Directors on the 24th January, 1735: 'To encourage the people to bid on the Woollen and other Manufactures of Europe and keep up the Price they allow six Months' Credit, and yet see it falling, which gives them a vast uneasiness'<sup>4</sup> In their 'eagerness to promote the consumption of the English manufactures in India to the utmost extent,'<sup>5</sup> the Court of Directors sent to India in 1734 large quantity of woollen goods. The prices of these goods being high, there was sometimes glut of these in Indian markets and many of these remained overstocked in the warehouses of the Company. The Court of Directors 'still desirous of promoting the National Advantage and hoping for a favourable turn in the Indian Markets' proposed to send 333 bales of woollen cloths to Bengal though their Council there had not indented for any, and they sent instructions that their factors in Bengal should exert themselves to the utmost to promote their sales. They authorised the Calcutta

<sup>1</sup>Letter to Court, 26th December, 1733, para 27.

<sup>2</sup>Bal Krishna, *Commercial Relations between India and England*, p. 218

<sup>3</sup>In 1732 lead was sold in Bengal at the rate of rupees eight per maund and iron at the rate of nine and a half rupees per cwt. *Letter to Court*, 16th January, 1733, paras 33, 40

<sup>4</sup>Para 37.

<sup>5</sup>Court's letter, 23rd January, 1754, para 39.

Council to sell these goods, in case of extreme necessity, at a lower rate, not below the invoice price than at an advance of 15 per cent on the invoice price as they were accustomed to do.<sup>1</sup> They actually sent 206 bales to Bengal and proposed to send 1130 for Bombay and 500 for Madras<sup>2</sup>

The nature of India's European trade between 1757 and 1793 was different from that of the pre-Plassey period. Mid-eighteenth century political triumphs of the English in India over their European rivals, the French and the Dutch and their successes in Bengal and elsewhere between 1757 and 1765, placed this trade to a large extent under their control. The capture of Chandernagore by the English in March, 1757, and their victory at Wandiwash in 1760 produced highly adverse effects on French trade in India, which was in a languishing condition (notwithstanding a temporary revival for a few years after 1763), being carried on only by private French merchants after the suspension of the French Company's exclusive privilege of eastern trade by a decree of the French King, dated 13th August, 1769. The English Company maintained jealous watchfulness over the private trade of Frenchmen.<sup>3</sup> The annual average of French investments from the east fell from 7,189,500 livres between 1725 and 1736 to only 1,043,500 livres between 1767-71.<sup>4</sup> The English naturally thought of 'discouraging' the trade of the French.<sup>5</sup> Abbe Rayaal remarks 'They (the English) have insulted the French in their workshops, seduced their workmen, cut the lines off the looms; insisted that the manufacturers should do no work but for them in the best months of the year.'<sup>6</sup> As for the Dutch, their trade, particularly in Bengal, was on the decline after their defeat at Bedara in November, 1759. The Dutch traveller, Stavorinus, who visited Bengal during 1769-71, writes. 'Since the unfortunate issue of our expedition to Bengal in 1759, the reputation of our countrymen has been on the decline; and we are obliged to be not a little dependent upon the English with respect to the piecegoods wanted for our cargoes, both for Batavia and for Holland.' The Dutch trade

<sup>1</sup> Court's letter, 31st January, 1755, paras 24, 26 and 28.

<sup>2</sup> Ibid.

<sup>3</sup> Court's letter, 10th November, 1769

<sup>4</sup> Bal Krishna, *Commercial Relations between India and England*, p. 231

<sup>5</sup> Court's letter, 24th December, 1776.

<sup>6</sup> Abbe Raynal, *A Philosophical and Political History of the Settlements and Trade of Europeans in the East and West Indies*, 1782 edition.

in Bengal temporarily revived between 1770 and 1780,<sup>1</sup> and the Dutch submitted a memorial to the government of Warren Hastings, in April 1775, for removal of the various impediments to which it was then subjected.<sup>2</sup> But there was stoppage of their trade after the United Netherlands joined the league against England in the course of the War of American Independence in the autumn of 1780.<sup>3</sup> It did not recover thereafter, and the Dutch possessions in India were finally ceded to the English in 1824-25. When, during the War of American Independence, England was in hostilities with France and Holland, Danish trade in Bengal prospered.

Growing political supremacy of the English in Bengal and some other parts of India placed them in a position highly favourable for the establishment of their monopolistic control over India's trade, industry and economic resources. Monopoly over the important articles of trade enabled them to increase the quantity of their investments for which there was more and more demand by the merchant princes in England. The Court of Directors wrote in their letter to Bengal, dated 4th March, 1767: 'In our letter of the 21st November, we most strenuously recommended. . .the increasing the Investment at your Presidency to as large an amount as you possibly can. It is a great satisfaction to us . . . that there are hopes of our Expectations being in a great measure answered, by the early Advances that have been made. Your influence in the country, and the strict Orders you had given for increasing the Provision of Raw Silk. We are only to add that that the greater the extent of your Investment is, the Company will be in the same Degree benefitted provided it can be done . . . without taking such Goods as are unfit for the Europe Market.' It was a great advantage for the English East India Company that after 1765 they could utilise the surplus territorial revenues of Bengal to finance their increasing investments instead of being inconvenienced by the stoppage of the import of bullion into Bengal from 1757.

From 1757, there was increase of both the exports and imports of the English East India Company. But the advantage of utilising the surplus territorial revenues of Bengal for the purchase of larger quantity of investments caused excess of exports over imports. Though occasionally the Company incurred some loss on

<sup>1</sup>J.C. Sinha, *Economic Annals of Bengal*, p. 170

<sup>2</sup>K.K. Datta, *The Dutch in Bengal and Bihar*, pp. 187-211

<sup>3</sup>*ibid.*, p. 111.

this account, its export trade was on the whole profitable. The articles of the English Company's export from India between 1757 and 1793 remained very much the same as in the immediately preceding period. Indigo from Bengal and Bihar formed an additional article of investment from 1780. Gradually Bengal became one of the most important indigo-producing entres. In 1810 out of a total import of 6 million pounds of indigo into Great Britain, above 5 million lbs. went from Bengal.<sup>1</sup>

Cotton piecegoods formed the main item of investment for a considerable part of this period. Trade in it was on the whole profitable, though during the period of Cornwallis' administration Bengal piecegoods lost its English market, and demand for Bengal *Muslins* in France was reduced after the outbreak of the French Revolution. Due to the Revolutionary Wars, and with the import duty on textiles in England,<sup>2</sup> export of cotton goods became unprofitable after 1793.

As has been already noted, saltpetre was a very useful article of export. In 1732 the Council in Calcutta ordered for twenty thousand maunds of saltpetre from Patna.<sup>3</sup> In 1734 the Patna Factory of the English sent to Calcutta 31818 maunds of saltpetre 'which was all they were able to procure.' It was important as an ingredient for the manufacture of gunpowder, and so its demand was 'in a great degree regulated by the course of political events.'<sup>4</sup> Bengal raw silk formed another item of the Company's exports. Trade in it was not profitable during Warren Hastings' administration, but after the substitution of the agency system for the contract system in the days of Cornwallis it was sold in England generally at a profit.<sup>5</sup> There was revival of export of sugar by the English Company from Bengal in 1791, as the Negro revolt in St. Domingo in that year obstructed export of sugar from there to Europe and whatever could be taken from that area was sold at a very high price.<sup>6</sup>

There was one important change in the items of the English Company's imports into India in this period. The import of bullion, which previously came here in vast quantities, was stopped after

<sup>1</sup>J.C. Sinha, op. cit., pp 178-79.

<sup>2</sup>ibid.

<sup>3</sup>Letter to Court, 16th January, 1733, para 54.

<sup>4</sup>Milburn, *Oriental Commerce*, II, p. 238.

<sup>5</sup>ibid, pp. 253-54.

<sup>6</sup>ibid, p. 267.

1757. The other European nations too followed the English example. The Council in Calcutta wrote to the Court of Directors on the 13th September, 1768: '...foreign Nations who were accustomed to import such large quantities of bullion for the Purchase of their Cargoes for Europe are no longer under that necessity since by Bills from and drafts on Europe they obtain an ample sufficiency for all their occasions.'<sup>1</sup> The other articles of import remained very much the same as before. These were generally woollen goods, lead, copper, iron, steel, gunpowder, small arms, Madeira wine and Vidonia wine.<sup>2</sup> There was occasionally some loss of the Company in woollen goods, but trade in metals was profitable. It is significant to note that in 1790 there was a large import of English copper into Bengal, as a result of which there was a temporary glut of this article.

In the period following 1793, major portion of India's European trade passed into the hands of Great Britain. 'Great Britain,' writes Prinsep, 'supplies half the total value of our imports, whether we estimate the proportion of her own products, or that of the goods introduced direct from her ports.'<sup>3</sup> Great Britain also carried the bulk of Indian exports for her own use and for re-export to continental countries. In fact the export and import trade of Great Britain with the Bengal Presidency covered about one-third of the latter's total foreign trade.

Certain factors transformed the nature of Indo-British trade from 1793. Hitherto, legally speaking, the trade between Great Britain and India had been a monopoly of the East India Company. Exceptions were sometimes made in favour of the commanders and officers of the Company's ships and their servants in India, when the Company's funds were not sufficient for the purchase of the required quantity of investments or also when it was though desirable to provide a new channel for the transmission of private fortunes of the Company's servants 'otherwise than by the purchase of bills of exchange upon the Company in London or the foreign Companies in Europe.'<sup>4</sup> Even then the enormous wealth that had accumulated with the British individuals in India 'overflowed the usual mode of

<sup>1</sup>N.K. Sinha, *Fort William-India-House Correspondence*, V, p. 423

<sup>2</sup>Letter from Court, 11th November, 1768, 7th December, 1769, 4th January, 1771; 16th March, 1784.

<sup>3</sup>Prinsep, *Remarks on the External Commerce and Exchanges of Bengal*, p. 31

<sup>4</sup>Hamilton, *Trade Relations between England and India*, p. 188.



remittance through the Company<sup>1</sup> and their fortunes were sent home through the other European traders, whose trade in India grew in volume, particularly on the close of the War of American Independence.<sup>2</sup> The efforts of the Court of Directors to suppress what they considered to be 'an illicit and unlawful trade. . . . between Europe and India by British subjects under false colours and Passes of Foreign Nations' did not produce any effect. We should also note the influence of the ideas that had been growing in Europe against trade restrictions during the last quarter of the eighteenth century. In his *Wealth of Nations*, published in 1776, Adam Smith strongly advocated free trade ideas, which soon influenced other minds, and the economists of the Physiocratic School in France also upheld and propagated the same doctrine of free trade. Trade monopoly generally proved to be incompatible with this new spirit.

These factors certainly could not be ignored by the British Parliament when they had to consider the renewal of the Company's Charter in 1793. This Charter Act, besides renewing the Company's privileges for another twenty years, provided further that 'any of his Majesty's subjects resident in Great Britain, or any part of His Majesty's European dominions, may export to India; and any of the Company's Civil servants, or persons resident in India under their license and protection, may import from India, goods upon the Company's ships,' subject to certain regulations and restrictions.<sup>3</sup> The company was also required to 'provide and appropriate' every year 'three thousand tons of shipping at the least for the specific purposes' of carrying to, and bringing from, the East Indies such goods as would be lawfully exported or imported.<sup>4</sup> If necessary the Company was to supply 'such an additional quantity of tonnage . . . for the carriage of the said private trade, as the Board of Commissioners for the affairs of India shall, upon any representation made to them, from time to time, order and direct.'<sup>5</sup>

One of the immediate effects of the Charter Act of the 1793 was that by virtue of the privilege of private trade the British residents in India imported larger quantity of goods from Bengal during the

<sup>1</sup>Milburn, op. cit , II, pp. 125-26

<sup>2</sup>ibid.

<sup>3</sup>ibid, I, LXXI-LXXII.

<sup>4</sup>H.D. Sandeman, *Selections from Calcutta Gazette*, IV, pp. 37-40.

<sup>5</sup>ibid.

few tears following it, though there was a certain fluctuation in the private trade of the commanders and officers of the Company's ships.<sup>1</sup> This trade would have increased more but for certain restrictions on it according to the Charter Act, the adverse effects of the Anglo-French wars from 1793 on the sale of Bengal goods in London, currency as well as financial difficulties of the Company<sup>2</sup> at that time, high rates of freight and insufficiency of tonnage for private trade of individuals. To obviate the deficiencies of tonnage Wellesley passed a regulation on the 5th October, 1798, permitting trade of free merchants in Calcutta with England in India-built ships.<sup>3</sup> This was followed by the Warehousing Act of 1799 according to which 'the imports made through the Company, with a few exceptions,' were 'allowed to be landed and housed on payment of a small duty,' after which these might be 'exported free of further charge; but if cleared for home consumption, the duties formerly paid thereon, became a charge upon the purchaser.'<sup>4</sup> The share of individuals in Indo-British trade increased till 1803,<sup>5</sup> but began to be reduced after that because the demands of the continental countries for Indian goods became lesser on account of the Napoleonic Wars. There was, however, considerable augmentation in the volume of private trade between England and India as a result of the Charter Act of 1813, which wholly threw open the East India trade, and after the cessation of wars from 1814-15.

As regards exports from India in this period it has to be noted that the quantity of cotton piecegoods fell off, and that of sugar was reduced almost to nothing by 1811. It was only after 1813 that there was revival of the export of sugar to Great Britain from India. But there was an increased export of indigo, saltpetre, raw-silk, raw cotton, rice and other kinds of grain. The imports from Great Britain to India included, besides bullion (after 1797), a variety of articles needed mostly for the growing European population in India and also for some of the Indians who had probably started using these.

During this period India had considerable trade also with continental Europe, which could be legally carried on during the Revo-

<sup>1</sup>Milburn, op. cit., II, p. 128.

<sup>2</sup>H.R. Ghosal, *Economic Transition in the Bengal Presidency*, Chapter XII

<sup>3</sup>Owen, *A Selection from Wellesley Despatches*, pp. 701-8

<sup>4</sup>Milburn, op. cit., I, XCIV.

<sup>5</sup>ibid, II, p. 128.

lutionary and Napoleonic Wars by the neutral nations like the Danes, the Portuguese and the Americans. Danish trade was then especially flourishing. For the six years ending in 1806, the Danes imported into Bengal merchandise and bullion worth 25,50,158 *sicca* rupees and the value of their exports from here was 31,31,953 *sicca* rupees.<sup>1</sup> In Bombay and Surat during the years 1802 to 1806, it was only in 1802 in that the Danes imported merchandise of the value of 46,736 *sicca* rupees and bullion worth 78,075 *sicca* rupees, their exports for the same period from those places were of the value of 84,441 *sicca* rupees.<sup>2</sup> But Napoleon's Continental System and England's declaration of Denmark as an enemy country in 1808, badly affected this trade. For some years till 1806, there was an irregular trade of Hamburg with India, in which the Americans participated till the conclusion of the Anglo-American treaty of 1794. Netural Portugal took advantage of the war period to carry on a regular trade at that time with India. During the six years ending in 1806 her imports into Bengal in merchandise and bullion were of the value of 98,48,430 *sicca* rupees and her exports therefrom were worth 1,04,76,479 *sicca* rupees.<sup>3</sup> In Bombay and Surat, from 1802 to 1806, the value of Portugal's imports in merchandise and bullion amounted to 25,0073 *sicca* rupees and her exports from those places were worth 23,13,965 *sicca* rupees. But this trade declined from 1807 after the Berlin Decrees of Napoleon (1806) and the British Orders-in-Council (1807).

The United States of America developed direct commercial intercourse with India after she had gained her independence, and it received encouragement from Great Britain. An apprehended clash between Great Britain and America on the interference of the former with foreign trade, after the outbreak of the Anglo-French Wars in 1793, was prevented by the Anglo-American Treaty of November, 1794. By this treaty the people of the United States got the right of trade between their own country and 'all the seaports and harbours of the British territories in the East Indies' and in all articles the export and import of which were not prohibited.<sup>4</sup> Coasting trade in any part of these territories was not permitted by this treaty. Henceforth there was rapid pro-

<sup>1</sup>Milburn, op. cit., II, p. 129.

<sup>2</sup>ibid, I, p. 199.

<sup>3</sup>ibid, II, p. 130.

<sup>4</sup>ibid, pp. 136-37.

gress of America's trade with India. In 1800 the value of American imports into Bengal was about 49,75,800 *sicca* rupees and that of exports from Bengal increased from nineteen lacs forty nine thousand three hundred and nineteen *sicca* rupees in 1795 to above sixty one lacs in 1800.<sup>1</sup> In Bombay and Surat, during the years 1802 to 1806 the total value of imports from the United States was 6,60,416 *sicca* rupees and of United States' exports therefrom amounted to 5,19,541 *sicca* rupees.<sup>2</sup> During these years (1802-6) the value of merchandise imported into Madras and its dependencies from the United States was 9,09,062 *sicca* rupees and that of treasure 41,12,131 *sicca* rupees. The value of exports from this area during the same period was 3,044,242 *sicca* rupees in merchandise and 21,668 in treasure.<sup>3</sup> The United States being then an agricultural country, her chief import to India was treasure, and sometimes she brought wines and spirits and certain coarse goods, while her principal export from India was cotton goods. On the whole her trade with India was profitable to herself and to some extent to Great Britain till it was seriously prejudiced by the Anglo-American war of 1812-15. Upto this time India also had direct trade with the States of South America.

There is no doubt that between 1793 and 1813, in spite of some temporary fluctuations, the foreign trade of the British settlements in India increased and there was a balance against most of the countries with which trade was carried on.<sup>4</sup> Captain R. Greene thus wrote from *zillah* Bihar to the Governor-General, Marquess of Wellesley, on the 1st June, 1798: 'The National advantages which Great Britain derives from her commerce with India seems not only to have fixed the general attention of all the nations of Europe but is to be considered the most extensive and lucrative branch of her trade . . .' Referring to the gains of England through her commercial connection with India, Milburn significantly wrote in 1813. ' . . . the East India Company have essentially contributed to the present greatness of the country (England). They gave a very early impulse to its manufactures and trade. They opened a new commerce not with the East only, but, by means of their returns from thence, with foreign Europe. They soon increased the ship-building, and

<sup>1</sup>ibid<sup>2</sup>ibid, I, p. 201<sup>3</sup>ibid II p. 22

improved the navigation of the kingdom, both which they have, in latter times, carried to a degree of advancement, that has made their fleets serviceable in the wars of the nation, and their commanders and officers eminently successful in adding to the naval glory of their country . . . .

To all these public benefits, is to be added the direct wealth with which the Company have been the means of enriching the nation. The amount of these contributions, consisting of the profits of manufacturers, ship-builders and tradesmen, ship-owners and officers, servants and labourers, miners, re-exporters of Eastern productions to foreign parts, and other descriptions of persons gaining by the Company's trade, in dividends to proprietors, payments to Government, and the influx of private fortunes acquired in India, especially in the last fifty five years, may be moderately estimated at one hundred millions sterling <sup>1</sup>

<sup>1</sup>ibid, p. CIII

## Agriculture and Industries

In the eighteenth century not only did India's political destiny take a new turn, but there were also weighty changes in the various phases of her economic life. The quickly succeeding political revolutions in this country which completely disintegrated the old order in government and administration were synchronous with the rise of some new forces which vitally affected the economic life of the people subjecting them to the manifold evils of an ill adjusted transition. Plassey, Wandiwash or Buxar indeed accomplished significant political changes and also served to open new chapters in the country's economic history. Further, both politically and economically, India felt the impact of the highly potential movements of the West, such as the French Revolution of 1789, and the Industrial Revolution, out of which emanated mighty influences destined to transform human relationship in all respects. There were new forces, new challenges before the world, and India could not remain untouched by their currents. In fact, socio-economic conditions in India underwent a rapid transformation.

### *Agriculture*

Agriculture formed the most important element in the economic life of the people of India. Referring to Bengal, Dow observed about 1770 that with 'one vast plain of the most fertile soil in the world and watered by many navigable rivers' this (Bengal) area 'seems marked out by the hand of nature as the most advantageous region of the earth for agriculture.'<sup>1</sup> In 1813 Milburn wrote as follows: 'Agriculture is conducted in India with the most frugal simplicity. The necessities of life are cheaper than in any other commercial country, and cheaper in Bengal than in any other province of India'<sup>2</sup>

<sup>1</sup>Dow, *Hindustan*, I, CXXXVI

<sup>2</sup>Milburn, *Oriental Commerce*, II, p. 270.

There was localisation of crops to a large extent. Rice and sugar were cultivated in different parts of Bengal and Bihar and were carried to other parts of India.<sup>1</sup> In the seventeenth century there was large scale production and manufacture of Indigo in the Jamuna valley and Central India<sup>2</sup> and it was grown also in Bengal and Bihar in the eighteenth century. Cotton was an important agricultural product of the Upper Provinces, as the soil of the Ganges—Jamuna doab was favourable for its cultivation. Mulberry plant was cultivated in Bengal, and the poppy plant in Bihar, Banaras and Ramghur. Jute was grown in abundance in Bengal and certain parts of north Bihar, and another fibre plant, San or hemp, was produced in Bengal.

The lot of the cultivators was not certainly enviable, because they did not live in affluence. In most cases, they lacked initiative and spirit of enterprise to adopt any novel methods to better their condition. Mr. H. Strachey, Judge and Magistrate of Midnapore, significantly observed in his letter to the Secretary to the Government in the Judicial and Revenue Department, dated 30th January, 1802 'The bulk of the people of Midnapore, like those of other parts of the country, and I presume of other countries, acquire by their labour, what is barely necessary to their existence and little more. They work not with a view to improve their situations, but merely to enable themselves and families to subsist.'<sup>3</sup> Want of adequate capital and heavy incidence of rent forced them to borrowing and subjected them to a state of perpetual indebtedness. They had also no sufficient means to combat the evil effects of natural calamities like famines, floods and droughts. It is well known how the terrible famine of 1770 in Bengal and Bihar aggravated miseries of the people who had been already hit hard by the vexatious and oppressive revenue—farming practices there, particularly during the post-Diwani period.<sup>4</sup> 'The unwise practice of pushing up the rents every year in Bengal has afforded,' wrote Pattullo in 1772, 'a full demonstration of the destructive consequences by having rendered many of these lands desolate.'<sup>5</sup> The authors of the Permanent

<sup>1</sup>Orme, *Indostan*, II, p. 4.

<sup>2</sup>Pelsaert, *Remonstrantie (Moreland and Geyl)*, pp. 10-18

<sup>3</sup>Firminger, *Fifth Report*, II, 597.

<sup>4</sup>*ibid*, Buchanan, *Patna-Gaya Report*, II, p. 506.

<sup>5</sup>Letter of Richard Becher to the Secret Committee of the Court of Directors, 25th May, 1769

Settlement in Bengal may have the intention, as the Permanent Settlement Regulations stated, 'to promote the future ease and happiness of the people' of Bengal and also as Cornwallis said, 'to enable it to continue to be a solid support to the British interests and power in this part of the world'<sup>1</sup> The Court of Directors wrote in September, 1793. 'it is an object of perpetual settlement that it should secure to the great body of the raiyats the same equity and certainty as to the amount of their rents and the same undisturbed enjoyment of the fruits of their industry which we mean to give to the zamindars themselves.' But all this proved to be a mere pious wish. If the Government of Lord Cornwallis had the intention that the customary rights of the Khudkast raiyats should not be tampered with and there should be no enhancement of rent beyond the *paragana* rates, it was completely defeated, because of the absence of any definite provisions regarding customary rights and *paragana* rates. Rather, the notorious 'Haftam' (Regulation VII of 1799) invested the Zamindars with unrestricted right of distraint 'without sending any notice to any Court of Justice or any public officer.' The Panjam (Regulation V of 1812), though intended to mitigate to some extent the harshness of the 1799 Regulations, did not remove the real defects.<sup>2</sup> In fact, 'up to the middle of the last century, the zamindars exercised an authority over the ryots far greater than that given to them by the original settlement of 1793'<sup>3</sup>

### *Industries and Manufactures*

No less important than agriculture were the varied and extensive manufactures of the country, which kept engaged down to about 1813 a considerable portion of its population, supplied its full need and left surplus enough to be exported to different countries of the world. India's old economy was, in fact, characterised by a fair co-ordination between agriculture and industries. While agriculture was undoubtedly an important occupation of the bulk of the population, 'the vacation from agriculture' left, as Orme remarks referring

<sup>1</sup>Pattullo, *An Essay upon the Cultivation of the Lands, and Improvements of the Revenues of Bengal*, London, 1772, p. 7

<sup>2</sup>Minute of Cornwallis, 3rd February, 1790, quoted in R. C. Dutt, *India under Early British Rule*, p. 92.

<sup>3</sup>S.C. Ray, *Land Revenue Administration in India*, pp. 40-42; *Report of the Flood Commission*, I, pp. 20-22



to Bengal, 'a much greater number of the inhabitants than can be spared in others at leisure to apply themselves to the loom so that more cotton and silk are manufactured in Bengal than in thrice the same extent of country throughout the empire, and consequently at much cheaper rates. The greatest part of these manufactures, and of the raw silk, is exported; and Europe receives the largest share, the rest goes by land and sea to different parts of the empire and other countries'<sup>1</sup>

The various industries were cotton and silk textiles, sugar, salt-petre, salt, opium, indigo, jute, etc., metallic industries like manufactures of iron, glass, arms, etc., and minor industries<sup>2</sup> like construction of boats, manufacture of ice, oils, drugs, perfumes, etc. There was specialisation in different handicrafts and consequent proficiency of those respectively engaged in them. Referring to Bengal, the Dutch traveller Stavorinus, observes. 'Artificiers confine themselves to one single work. . . . a goldsmith will not work in silver nor a silversmith in gold. In the *aurungs* or looms, a weaver will only weave one single sort of stuff during the whole life unless he be compelled to take another in hand.'<sup>3</sup>

The premier industries were the cotton and silk manufactures. These, like most industries, were organised on domestic basis. Every weaver's house looked like a workshop and scarcely any village was without such weaving centres. 'On the coast of Coromandel and in the province of Bengal, when at some distance from the high road, or a principal town, it is difficult to find a village in which,' writes Orme, 'every man, woman or child is not employed in making a piece of cloth'<sup>4</sup> During the age of the great Mughals *Karkhanas* or manufactories were maintained at important centres for the manufacture of fine *muslin*, required for wardrobe of the Imperial household or the members of the official aristocracy. 'The Native princes, and chiefs of various description, the retainers of numerous dependents, afforded a constant employment to a vast number of indigenous manufacturers, who supplied their masters with gold and silver stuffs, curiously flowered, plain *muslins*, a diversity of beautiful silks and other articles of Asiatic luxury.'<sup>5</sup>

<sup>1</sup>Orme, *Indostan*, II, p. 4.

<sup>2</sup>K.K. Datta, *Bengal Subah*, I, pp. 431-36.

<sup>3</sup>Stavorinus, *Voyage to the East Indies*, I, p. 474.

<sup>4</sup>Orme, *Historical Fragments, etc.*, p. 409.

<sup>5</sup>Forster, *Journey, etc.*, I, pp. 1-4.

With growing decline of Mughal political authority, these *Karkhanas* gradually disappeared.

While the sale of goods by the weavers for ready money was mostly prevalent, their houses were also frequented by the agents or *dalals* of the European Companies, chiefly of the English Company so far as the period after 1760 is concerned. These *dalals* or middlemen got *dadni* or advance money from the agents of the factories to the proportion of half or three-fourths of the estimated value of cloths for giving advances to the weavers, merchants and manufacturers.<sup>1</sup> As the country fell more and more into confusion in the post-Plassey years of transition, marked by increase of British influence, these middlemen became highly unscrupulous and inflicted harsh treatment on the weavers in collecting investments for their masters. The practice of receiving advances by the weavers fostered dependence on others and its natural consequence was loss of incentive for good work. Referring to Bihar, Hamilton Buchanan observes. 'Further, it would appear, that the system of advances and a good deal of the fine cloth is made on advance, produces its usual consequences and the workmen becoming indolent, do not make a greater value than they do when working at coarse goods for ready money sale . . . the system of advances is totally unnecessary, but it is here pursued by all the native dealers as keeping the workman in a state of dependence, little better, if so good, as slavery.'<sup>2</sup>

The centres of textile industry were spread over different areas of the country such as Surat, Gujarat, Chanderi in Malwa, Burhanpur in Khandesh, Mysore and northern parts of the Madras Presidency, Jaunpore, Banaras and some other localities in the United Provinces, Bihar, Orissa and Bengal. Regarding the manufactures of Ahmedabad in the period before the middle of the eighteenth century, Abbe de Guyon writes as follows 'People of all nations, and all kinds of mercantile goods throughout Asia are to be found at Ahmedabad. Brocades of gold and silver, carpets with flowers of gold, though not so good as the Persian velvets, *satins*, and *taffetas* of all colours, stuffs of silk, linen and cotton, are all manufactured here'<sup>3</sup> According to Raynal<sup>4</sup> 'the printed calicoes of Ahmedabad were fine and durable like those of Coromandel coast

<sup>1</sup>Grant, *A Sketch of the History of the East India Company*, p. 67

<sup>2</sup>Buchanan, *Patna-Gaya Report*, II, p. 653

<sup>3</sup>Abbe de Guyon, *op cit.*, I, p. 289

<sup>4</sup>Raynal, *op cit.*, II, p. 45

and were used in Java, Sumatra and the Molucca islands, Persia, Turkey and Europe' Surat was noted for 'its manufactures of finest Indian brocades, the richest silk stuffs of all kinds, calicoes and *muslins*.'<sup>1</sup> James Grant writes in his *Political Survey of the Northern Circars*.<sup>2</sup> 'In regard to Manufactures, the staple produce of the country worked from cotton is of two different sorts and fineness. Plain long cloth, so valuable at foreign markets, is chiefly wrought in the island of Nagaur (?) and its vicinity, where the manufactures have always found a sure asylum from the ravages of war; it forms the groundwork of the best printed calicoes in Europe and of those inimitable painted ones called *palampores* in the districts of Masulipatam The coarser plain cloths made to the north and south of the Godaverı, or coloured with chay root, . . . are equally articles in vast demand abroad, or for interior consumption. But the muslins of Chicacole; the beautiful woollen carpets of Ellore and silks of Burrampore in Jchapoor, wrought from raw materials imported from Bengal or China, are rather objects of curiosity and meriting encouragement . . .'<sup>3</sup> Large quantities of piecegoods were manufactured at Vizagapatam.<sup>4</sup> According to Buchanan, the manufactures of Bangalore in the time of Haidar Ali were 'numerous'<sup>5</sup> and of several varieties, such as thin white *muslins* with silk borders, plain green *muslins* with silk borders, and coloured striped *muslins* with silk borders, etc.<sup>6</sup> The weavers of this place seemed to him 'to be a very ingenious class of men, and with proper encouragement to be capable of making very rich, fine, elegant cloths of any kind that may be in demand.'<sup>7</sup> At the time of Buchanan's survey (1800-1805) there were four hundred and fiftynine looms in the district of Coimbatore, and fine cloths of several species were manufactured there.<sup>8</sup> Excellent *chintzs* were manufactured in the province of Banaras, at Patna<sup>9</sup> and near Calcutta. The 'making of *chintz* appears,' writes Ward, 'to be an original art in India, long since

<sup>1</sup>Abbe de Guyon, op. cit., I, p. 281

<sup>2</sup>Transmitted by the Bengal Government to the Court of Directors in 1786.

<sup>3</sup>ibid, in *Fifth Report* edited by Firminger, III, p. 8

<sup>4</sup>Milburn, *Oriental Commerce*, II, p. 90

<sup>5</sup>Buchanan, *A Journey from Madras Through the Countries of Mysore, Canara and Malabar*, I, p. 193

<sup>6</sup>ibid, p. 209.

<sup>7</sup>ibid, p. 221.

<sup>8</sup>ibid, II, pp. 261-62.

<sup>9</sup>Stavorinus, op. cit , I, p. 464.

invented, and brought to so great a pitch of excellence, that the ingenuity of artists in Europe has hitherto added little improvement, but in the superior elegance of the patterns.<sup>1</sup>

Bengal deservedly enjoyed a special reputation for the vast quantity and superb quality of her cloth manufactures of which we get eloquent descriptions in the accounts of 17th century European travellers and factors like Bernier and Pelsaert and some others. She continued to produce 'cloth of all kinds, most beautiful muslins, silk, raw or worked.' Pattullo wrote about 1772 that the 'demands for Bengal manufactures can never lessen, in regard that their quality is so peculiar to that country, that no nation on the globe can either equal or rival them'<sup>2</sup> The weaving manufactories were 'dispersed throughout the country,'<sup>3</sup> and almost every district produced a special variety of cloth.<sup>4</sup> But Dacca in eastern Bengal was the premier centre of cotton industry and produced cloths of various degrees of quality 'ranging from the fine gossamer *muslins*, the attire of the inmates of the *zananas* of native princes down to coarse thick wrapper worn by the poor *ryot*.' It was a matter of surprise to Orme how cloths of 'extraordinary niceness'<sup>5</sup> could be produced in Bengal with few and humble mechanical tools.<sup>6</sup> 'The surprise will be heightened,' he says, 'when we find, that at Dacca, in the province of Bengal, where all the cloths for the use of the king and his seraglio are made, these are of such wonderful fineness as to exceed ten times the price of any linens permitted to be made for Europeans, or anyone else in the kingdom.'<sup>7</sup> Rennell, with his experience of an intensive survey of Bengal, recorded that Dacca had 'a vast trade in *muslins*; and manufactures the most delicate ones, among those that are so much sought after in Europe'<sup>8</sup> The contemporary Dutch traveller, Stavorinus, remarks 'Muslins are wove so fine, that a piece of twenty yards in length, and longer, can be inclosed in a common pocket tobacco box The whole is done with a very trifling

<sup>1</sup>Ward, *History etc. of the Hindoos*, I, p. 96

<sup>2</sup>Pattullo, op. cit., p. 25.

<sup>3</sup>K K. Datta, *Bengal Subah*, I, p. 419-21

<sup>4</sup>Stavorinus, op cit., I, p. 474

<sup>5</sup>Orme, *Historical Fragments etc*, p. 412, Taylor, *A Descriptive and Historical Account of the Cotton Manufacture at Dacca*, p. 4

<sup>6</sup>Orme, *Historical Fragments etc.*, p. 412

<sup>7</sup>ibid.

<sup>8</sup>Rennell, *Memoir of the Map of Indostan*, p. 61.

apparatus and Europeans are surprised to behold the perfection of manufacture, which is exemplified here in almost every handicraft, effected with so few and such imperfect tools.<sup>1</sup>

At Dacca each variety of *muslin* was manufactured by fabrics of three or four assortments or degrees of quality, and the cloths were accordingly classified in the Company's factory there as *ordinary*, *fine* 'superfine' and 'fine superfine'.<sup>2</sup> The *muslins* were plain, striped, figured or coloured. Dacca was famous for excellent embroidery and flower works on cloths.<sup>3</sup> 'From Dacca,' wrote Abbe de Guyon in 1744, 'come the best and finest Indian embroideries in gold, silver and silk, and those embroidered neck-cloths and fine *muslins* which are seen in France.' Allied arts of embroidery and flowering, cloth printing and dyeing had attained great excellence also in other parts of India.<sup>4</sup> Women actively participated in such works.<sup>5</sup> Women of middle class and comparatively indigent families also engaged themselves in spinning thread<sup>6</sup> and helped the cotton industry of the country as they did in silk industry by winding off the rags silk from the pod of the worm.<sup>7</sup>

India, particularly Bengal, had a flourishing silk industry in the 17th century, and silk manufactures formed one of the important exports of the English Company to England.<sup>8</sup> The Bengal silk manufactures were exported also to the markets in the different Asiatic countries. After the establishment of English factories at Maldah and Cassimbazar, the English Company's trade in Bengal silk manufactures began to increase, and their use became common among the people in England because of their good quality and cheapness. At this, the British Parliament with a view to protecting their home industry passed an Act in 1700 to the effect that 'from and after the 29th day of September, 1701, all wrought silks, Bengals and stuffs mixed with silk and herba, of the manufacture of Persia,

<sup>1</sup>op. cit., I, p. 413. 'A common-sized Dutch tobacco-box, such as they bear in the pocket, is about eight inches long, half as broad, and about an inch deep' *ibid*, p. 414, fn

<sup>2</sup>Taylor, op. cit., p. 42

<sup>3</sup>*ibid*, pp. 58-59.

<sup>4</sup>Raynal, op. cit., I, pp. 454-55

<sup>5</sup>Buchanan, *Patna-Gaya Report*, II, p. 655; K.K. Datta, *Bengal Subah*, I, pp. 43-44

<sup>6</sup>K.K. Datta, *Bengal Subah*, I, pp. 43-44

<sup>7</sup>Ward, *History etc. of the Hindoos*, I, p. 93

<sup>8</sup>Bal Krishna, *Commercial Relations between India and England*, pp. 141-45

China, or the East Indies, and all calicoes, painted, dyed or printed or stained there, which are or shall be imported into this kingdom, shall not be worn or otherwise used in Great Britain, and all goods imported after that day shall be warehoused and imported again.' But it did not stop export of manufactured silk to England, as the English merchants still carried it there for re-exportation to other countries<sup>1</sup> in and outside Europe

Grose observed in the mid-eighteenth century that 'the country round about it (Cassimbazar) was very fertile, and the inhabitants remarkably industrious, being employed in many useful manufactures. They generally furnish 22,000 bales of silk a year, each bale weighing, 100 lbs'<sup>2</sup> James Rennell also wrote about this time. 'Cossimbazar is the general market of Bengal silk and a great quantity of silk are manufactured here, which are circulated throughout great part of Asia; of the unwrought silk. 300,000, or 400,000 lbs weight is consumed in the European manufacturies.'<sup>3</sup> Records of the English East India Company contain copious references regarding the purchase of silk by them at Cossimbazar.<sup>4</sup> In Bengal proper there were some other important centres of silk manufacture.<sup>5</sup> Outside Bengal, mixed silk and cotton brocaded cloths were manufactured at Aurangabad. Malet wrote in 1788: 'Great quantities of Bengal raw silk were formerly manufactured in this city and brought in by the way of Benaras and Bombay The quantity is now greatly fallen off.' Gujarat had reputation for silk manufactures, which, however, declined subsequently About this place too, Malet observed as follows. 'I am informed that several families of Gujarat silk manufacturers *soucais* and others, distressed by oppressions of the farmers of this State (Maratha) who rule that Province, have fled to and settled at Banaras where they practise their former occupation'<sup>6</sup>

The disturbed internal conditions in India undoubtedly exercised an adverse influence on silk manufacture. The oppressions of the English Company's *agents* and *gomastas* on the silk-weavers and the

<sup>1</sup>J C. Sinha, *Economic Annals of Bengal*, pp. 25-27

<sup>2</sup>Grose, *Voyage to the East Indies*, II, p 240

<sup>3</sup>K.K. Datta, *Bengal Subah*, I, p. 423.

<sup>4</sup>Importance of Cassimbazar as a centre of silk-weaving industry in the 17th century is referred to by Bernier, (January, 1666), Tavernier (February, 1666), Streynsham Master (1675-80).

<sup>5</sup>K K Datta, *Bengal Subah*, I, p 423, Twining, *Travels in India A Hundred Years Ago*, p. 111

<sup>6</sup>*Bengal. Past and Present*, January-March, 1929.

Company's policy of forcing them to work as winders must have caused a gradual decline<sup>1</sup> in this industry making its revival in a well-marked degree impossible. The important centres of silk manufactures like Cassimbazar and Maldah lost their position regarding silk-weaving.

Demand of the United Kingdom for Indian raw silk became, however, greater from the middle of the eighteenth century because of its need for silk manufacture in England. From 1751 to 1765 it rose, 'on an average, to about 80,340 small pounds of 16 ounces each, per annum.'<sup>2</sup> It went on increasing and the English East India Company began to devote more attention to sericulture than to the manufacture of silk fabrics, particularly after the acquisition of *Diwani*. But as Indian silk could not compete with Italian or Spanish silk due to inferior method of reeling adopted by the *Chassars* in Bengal, the Court of Directors sent to Bengal in 1770 three supervisors, Messers Wiss, Robinson and Aubert, with some Italian artisans to introduce their method of reeling in the silk *aurangs* in this province.<sup>3</sup> In view of their growing need for raw silk, the Court of Directors passed an order prohibiting private traders or their servants from trading in this article at the *aurangs* or places where it was collected. To prevent any obstruction to the supply of raw silk they asked the Council in Calcutta to see that the 'complaints of the *Chassars* against the *pykars* should be carefully attended to. Every prudent means should be used to restore harmony between those who are so immediately and mutually concerned' in the provision of the Company's investment

The new mode of winding was sufficiently established by 1775, and in the decade from 1776-85 the average annual export of raw silk from Bengal to England was 5,60,283 small pounds and that from Italy, Turkey and some other places did not go above 282,304 lbs.<sup>4</sup>

But there was a rise in the cost of production of Bengal silk on account of which the Company sustained a loss of \$ 884744 in its silk investment from Bengal during the years 1776-85.<sup>5</sup> In 1783

<sup>1</sup>J C Sinha, op. cit., pp 87-88.

<sup>2</sup>Milburn, *Oriental Commerce*, II, p. 252. There were two measures for raw silk, great pound of 24 oz. and small pound of 16 oz

<sup>3</sup>Milburn, *Oriental Commerce*, II, 252. *Public Letter from Court*, 20th March, 1770, paras. 25-34.

<sup>4</sup>Milburn, op. cit , II, p. 252

<sup>5</sup>ibid.

they threw open the silk trade to private individuals 'on condition of paying the freight, charges and duties, permitting them to send it to Europe in the Company's ships upon their own account'<sup>1</sup> But this change did not produce good results and so in 1785 the Company decided to have the sole right of exporting Bengal silk to England.<sup>2</sup> For a few years after this the progress of English cotton manufactures badly affected the Company's silk export from Bengal. There was some improvement in the situation by 1792, probably because the old contract system for procuring silk had been substituted by the agency system in 1787

But on the outbreak of the Revolutionary Wars in 1793 English silk trade 'experienced a more than ordinary depression'<sup>3</sup> In February, 1794, silk was sold at such low prices that the Company had to incur a heavy loss of \$ 47,746.<sup>4</sup> But on the 5th February, 1795, a great number of the silk manufacturing concerns in England presented a memorial to the Court of Directors pleading for a 'more abundant supply of raw silk than hereto' from Bengal. They pointed out therein that the surplus by 'being thrown into organzine' in England could be 'successfully brought into use' in their 'respective manufactories, to a very considerable extent' and that all this would be 'highly beneficial to the national interests'<sup>5</sup> In compliance with this suggestion the Court of Directors asked the Bengal Government 'to extend their consignments to 4000 bales per annum'<sup>6</sup> For ten years from 1794 to 1803 the quantity of Bengal silk thrown into organzine in England was more than 140 bales a year.<sup>7</sup> At this time also the quality of Bengal silk 'reached such a degree of excellence, as to rival the most perfect productions of Italy'<sup>8</sup>

Depression in the Company's Bengal silk trade still continued due to their financial difficulties, but it was over by 1807. There was then considerable demand for Bengal's raw silk in England's markets as the Continental system 'occasioned as entire cessation of

<sup>1</sup>J.C Sinha, op cit , p 176

<sup>2</sup>ibid

<sup>3</sup>Milburn, op. cit., II, p. 254

<sup>4</sup>ibid.

<sup>5</sup>ibid, p 255.

<sup>6</sup>ibid

<sup>7</sup>ibid

<sup>8</sup>ibid.



the customary importation of the Italian raw silk.<sup>1</sup> For this enhanced demand, the outturn of raw silk in the Company's factories<sup>2</sup> became almost double in a few years, and because of the decline of the trade in the cotton manufactures<sup>2</sup> of Bengal the Company began to invest much of their surplus fund in silk. Further, the stimulus afforded to new enterprise by the Charter Act of 1813 and the cessation of the Napoleonic Wars about 1815 encouraged export of raw silk from India in abundant quantity. Average annual export of this article from Bengal during the eight years before 1820-21 was of the value of about seventy-five lacs of rupees.<sup>4</sup> The English Company had to wind up their silk business in Bengal according to the provisions of the Charter Act of 1833 within a few years after it. One important economic point to be noticed about silk cultivation is that it provided employment for several years to many of those who had lost their occupation in cotton industry as a result of its decline.

Sugar was manufactured on a large scale in Bengal, where it was the third important industry after cotton and silk till 1813. The quantity of sugar produced in Bengal and Bihar by the indigenous process<sup>5</sup> of manufacture was not only enough for local consumption but was also exported to Europe, Africa, America and some Asiatic countries. 'Even so late as the period immediately preceding the capture of Calcutta, in 1756, the annual exportation (of sugar) was about 50,000 maunds, which yielded a profit of about 50 per cent and the returns for which were generally in specie; so that in the 20 years immediately preceding the capture,

<sup>1</sup>Bengal Board of Trade (Commercial) Consultations, 2nd September, 1808, quoted in H.R. Ghosal, *Economic Transition in the Bengal Presidency*, p. 54.

<sup>2</sup>*ibid* In Bengal proper the important centres of silk production were Kumarkhali in the Nadia district, Rangpur, Rampur Boalia, Maldah, Jangipur in the Murshidabad district, Ganutia in the Burdhum district, Radhanagar in the Midnapur district and Santipur established in 1819-20. In Bihar, Buchanan noticed production of silk in Purnea, Shahabad and Bhagalpur.

<sup>3</sup>The trade in piece-goods which heretofore constituted the great staple of the country, has become comparatively trifling, and as it is understood that cotton manufactures have been established in different parts of Europe, there is no reason to expect that this trade will revive.' *Papers relating to East India Affairs* (1813), p. 13.

<sup>4</sup>Prinsep, *Remarks on the External Commerce and Exchanges of Bengal*, p. 36.

<sup>5</sup>For accounts of it, vide, Stavorinus, *Voyage to the East Indies*, I, p. 140; W. Ward, *A View of the History etc. of the Hindoos*, I, pp. 83-85.

it may be estimated that there flowed into Bengal for this article no less than 60,00,000 rupees, which was all clear gain to the country, and of the most eligible kind, the production of the ground manufactured by the natives. And this flow was regular, always feeding, but never overcharging the circulation.<sup>1</sup> But, during the next two decades, export of sugar from Bengal came to be so 'trifling and casual' that the sugar trade of Bengal was 'in fact annihilated.'<sup>2</sup> This was due to an abnormal rise in the price of sugar and high charge of transportation.<sup>3</sup> The attempt made by the East India Company's government in Calcutta to effect an improvement in this condition by introducing the method of sugar manufacture as was practised in the West Indies did not prove successful.<sup>4</sup>

Sugar trade did not undergo much change till 1790, when on the partial removal of duties on the importation of Bengal sugar in the other British Settlements in India and also its increased production in Banaras since 1787-88, this article once again became a staple in Bengal's foreign trade.<sup>5</sup> There was fall in the quantity of export of Bengal sugar to the continental countries during the period of the Revolutionary and Napoleonic Wars, which inevitably caused a shrinkage in tonnage and increased freight charges.

Another factor which hampered the progress of Bengal's sugar industry during these years was the imposition of heavy duties on Bengal sugar in Great Britain as compared with low duties on West Indian sugar. This combined with some other circumstances, such as preference for Manila and Java sugar in the eastern markets and development of Mauritius as a better source of sugar supply, caused considerable depression in Bengal's sugar trade with Great Britain and other countries of the world after 1805.<sup>6</sup> There was, however, increase in the export of Bengal sugar to Great Britain after the Charter Act of 1813, which gave an incentive to private enterprise, and on the cessation of the European wars. But Bengal's sugar industry could not recover its old position due to the adverse

<sup>1</sup>Quoted from the petition of the Calcutta merchants to Government, dated 1776, in Milburn, op cit., II, p. 270

<sup>2</sup>ibid.

<sup>3</sup>ibid.

<sup>4</sup>Subsequent attempts of the Company (in 1792 + 1796) to introduce this method did not also produce good result.

<sup>5</sup>Milburn, op cit., II, p. 271.

<sup>6</sup>H.R. Ghosal, *Economic Transition in the Bengal Presidency*, p. 74.

factors noted above, particularly foreign competition with the growth of sugar industry in the British West Indian colonies.

Indigo cultivation was known in India from time immemorial.<sup>1</sup> From the early years of the 17th century indigo was one of the important articles of export from India by the East India Company. But because of the growing production of indigo in the West Indies, there was a gradual fall, and complete stoppage from 1724, in the demand for Indian indigo in the British markets.<sup>2</sup> About the middle of the eighteenth century, however, its cultivation was given up by the British Colonies in the West Indies and England began to obtain that article from America. This source of supply was closed for her on the outbreak of the War of American Independence. This caused a revival in England's demand for indigo from India, and extensive cultivation as well as large-scale manufacture of indigo in India by the English and some other European planters. For provision of indigo the Company entered into contracts with individuals from 1779, Mr. J.T. Prinsep being the sole contractor till 1784.<sup>3</sup> The Company received indigo from some other contractors between 1784-87 for despatch to England. But it did not yet prove to be a profitable remittance.<sup>4</sup> Some Free Merchants and some servants of the Company like Claude Martin in Lucknow and G.F. Grand in Bihar had also begun to invest money in indigo business.

Gradually the importance of indigo manufacture was realised in different quarters and growing number of adventurers engaged themselves in it. It was evident to them 'that the establishment and extension of the indigo manufacture presents a most important source of improvement because the industry of the people and the fertility of the soil may be rendered productive to unknown degrees.' In his Minute of the 1st November, 1788, Lord Cornwallis pointed out the importance of indigo industry in Bengal in the following words: 'Indigo which is recently exported from Bengal as an article of foreign commerce, absolutely creates a new source of wealth to it, capable perhaps of being in time rendered equal to the demands of the greatest part of Europe. It affords the happy means of employ-

<sup>1</sup>Milburn, *Oriental Commerce*, II, p. 213.

<sup>2</sup>ibid. J.C. Sinha, *Economic Annals of Bengal*, p. 178

<sup>3</sup>It is stated in a work on indigo planting by John Phipps, published in 1835 that Monsieur Louis Bonnard, a Frenchman, who came to Bengal in 1777, was the first European indigo planter in India.

<sup>4</sup>N.K. Sinha, *Economic History of Bengal*, I, p. 198.

ing the waste lands of the country, improving the revenue and repairing loss of other branches of trade. the great importance of encouraging it is, therefore, evident.'

The fall of indigo supply to England from the Island of St. Domingo proved favourable to Bengal's indigo trade, and by 1793 indigo became a staple export.<sup>1</sup> On the 25th June. 1793, the Company's Government in Calcutta issued a notice to the effect that 'the Board of Trade will for the Company's investment purchase ready-made indigo which may be tendered for sale in bulk at the Export Ware-House of quality such as they shall approve, and at such price as may be settled with the profferer. Any quantity will be taken provided it is not less than five factory maunds. Persons desirous of tendering indigo must specify by letter to the Board of Trade the quality they mean to tender and the time when it will be ready to be sent to the Export Ware-House.'<sup>2</sup>

Some initial difficulties of the Indigo planters were removed through the assistance<sup>3</sup> of the Company, particularly in the form of loan, and their efforts ultimately proved successful. 'The article of indigo now bears,' wrote Milburn in 1813, 'a distinguished rank in the list of Asiatic produce, and may be considered the staple commodity of the private trade from India.'<sup>4</sup>

A large number of indigo factories consequently sprang up, particularly in different parts of Bengal and Bihar<sup>5</sup> According to a contemporary official account there were in 1830 about one thousand indigo factories in the Bengal Presidency. During the closing years of 18th century and during the first half of the 19th century the indigo-planters perpetrated terrible oppressions on the *raiyats* engaged in indigo cultivation, which continued more or less even during the few succeeding decades, in Bihar particularly till 1917-18. Vakil Rahmattulla presented the following petition on the 26th January, 1796, to the *Sadar Diwani Adalat* on behalf of Syed Rahim Ally and Syed Ramzan Ally: 'Mr. Coats, indigo manufacturer forcibly ploughed up a crop half grown in the village Bawaleepore Bourah pergunnah Bherwarrah and in the place of its sowed indigo. Your petitioners, therefore, after paying the revenue

<sup>1</sup>ibid, p. 197.

<sup>2</sup>*Calendar of Persian Correspondence*, X, p. 302

<sup>3</sup>*Papers relating to East India Affairs* (1813), pp. 1-4.

<sup>4</sup>Milburn, op. cit., II, p. 214.

<sup>5</sup>vide Appendix E.

assessed at the Decennial settlement, are at considerable loss. The aforesaid gentleman has likewise by force carried off in carts the bamboos, toddy trees, together with the straw made use of in roofing and as fodder for the bullocks. When any person opposes him he gets beaten. On land also which yields five rupees per *begah* he sows indigo and fixes three different rates, three rupees, two rupees and one rupee and has for two years allowed no grain to be sowed on the indigo ground. The ryots, therefore, have been obliged to pay government revenue from their own purses. Further, when the crop of indigo comes to be measured the gentleman aforesaid on pretence of draught or inundation exacts deductions and only allows for each *begah* ten *biswas*; many of the ryots are in consequence fled to the hills, the rest absconding. He, moreover, confines the malguzary ryots and by beating them extorts a written agreement for each plough to cultivate four *bighas* and sending hircarrahs to ryots' houses at midnight compels them to cultivate the indigo, never releasing them till the indigo is in the cart. Such ill usage and oppression your petitioner never before experienced under the English Government but if your petitioners complain to the Judge or Collector they refuse to hear them for the sake of the indigo gentleman.<sup>1</sup>

On 19 February, 1796, Vakil Rahamatulla submitted another petition to the *Sadar Diwani Adalat* on behalf of Mussamat Durga Beiwa: 'Mr. Hunter, indigo manufacturer, six months ago took forcible possession of 20 *bighas* of land situated in village Ragoonatpore Bursun, pargana Seerisha, Zila Tirhut. To this your petitioner, a poor widow, can never consent. The indigo gentleman, a short time ago, sent two peadahs to apprehend your petitioner and your petitioner for the security of her reputation fled and stayed some time at the house of a ryot but afterwards seeing no mode of extricating herself from the oppression than by quitting her house and as the whole of the ryots who cultivated her land had declared that if any violence was exercised on account of the indigo they would not stay to cultivate it your petitioner without remedy travelled 200 coss and is come to the huzur to complain, hopeful that an order may be sent to Mr. Arbuthnot, the present Judge, who is now in Calcutta directing him to guard your petitioner's land against the violence of the indigo gentleman in the

<sup>1</sup>N.K. Sinha, op. cit., pp. 198-99.

same manner as his predecessors had been wont to protect your petitioner.'

The cries of the poor cultivators for protection against the notorious conduct and harsh treatment of the planters mingled with the air. The few steps that the Company's Government took to restrain the indigo planters proved hopelessly ineffective. Some Indian employees of the indigo planters may have amassed huge fortune through various clandestine practices. But indigo industry of Bengal and Bihar during this period was not in any way conducive to the economic interests of the common people. It was however, a source of economic gain for England.

Manufacture of saltpetre was another important industry of India. The chief use of saltpetre was as an ingredient for the manufacture of gunpowder and so it was in great demand among the European nations during their wars in the 18th century. It was manufactured in the Northern Circars and in Mysore in the time of Tipu,<sup>1</sup> at certain places in the Uttar Pradesh and in the district of Maldah in Bengal. But Bihar was famous for manufacture of it on a large scale and the English East India Company had several saltpetre factories here (in Bihar) till the close of the third decade of the 19th century. The saltpetre factories in Bihar were located at Fatwah, Mau, Chapra and Singhia, which were under the control of the *Sadar* factory at Patna. Saltpetre manufacture was stocked at Purnea in 1788 and in Rangpur in Bengal in 1773.<sup>2</sup> It was from Bihar that the European Companies exported it in large quantities and there was keen competition among them (the English, the Dutch and the French) for procuring it. Clive secured from Mir Jafar a monopoly of saltpetre trade in Bengal for the English East India Company in the year 1758. The *parawanah* for this grant said, 'at this time, through the means of Colonel Clive the saltpetre lands of the whole province of Bihar have been granted to the English Company from the beginning of the Bengal year 1165, in the room of Coja Muhammad Wazeed.'<sup>3</sup> You are therefore, hereby directed to establish the authority of their *gomastas* in all the

<sup>1</sup>Buchanan, *A Journey from, etc.*, II, p. 316

<sup>2</sup>vide Appendices F + F<sub>1</sub>.

<sup>3</sup>*Khawajah Wajid*, also known as *Fakhr-ut-tujar* or chief of the merchants, was one of the most prominent merchants of Bengal in those days, residing at Hugli and Chandernagore. For some time he had the exclusive privilege of purchase of saltpetre in Bengal.

saltpetre lands of the aforesaid province, to give strict orders to the saltpetre *picars* not to sell an ounce of saltpetre to any other person and to receive from the Company the stipulated *nuzzerana* and money for aforesaid lands.<sup>1</sup> Since then the Dutch and the French could buy it only in times of peace from the English factory at Patna at prices fixed by the English Council in Calcutta. Thus, the French were to get 18,000 maunds; the Dutch 23,000 maunds and the Danes 16,000 maunds, a year. Some quantity of saltpetre, exceeding not more than 4,000 maunds a year, was manufactured in the kingdom of Banaras.<sup>2</sup>

The profits of the English East India Company's trade in saltpetre fluctuated during the 18th century. It appears from figures supplied by Henry Thomas Colebrooke, on the authority of the statements of the Directors, that from 1764 to 1792 the English Company sold saltpetre more during peace times than during wars.<sup>3</sup> They sold 295,673 bags in thirteen years of peace from 1764 to 1776; 76,059 in six years of war from 1777 to 1782 and 331,301 bags in the years of peace from 1783 to 1792. The difference in sale during peace and war times was due to the 'circumstance of exportation (of saltpetre) being prohibited in war times.'<sup>4</sup> During the few years preceding 1792, there was a glut in the sale of the Company's saltpetre. This glut disappeared after the commencement of the Revolutionary Wars in 1793. These wars enhanced England's demand for saltpetre. Further, to prevent this important war ingredient from falling into the hands of the enemies of England, she passed orders in 1793 forbidding its export by foreigners and to foreign countries. The restriction was soon waived in favour of neutral nations like Danes and the Americans

From 1793 to 1809 inclusive the quantity of saltpetre supplied by the English East India Company to the British Government was 495,040 Cwt. and the prime cost was £277,712.<sup>5</sup> During the early years of the 19th century the Company's Government in Bengal do not seem to have been particular about maintaining their monopoly

<sup>1</sup>Aitchison, *Collection of Treaties, Engagements, Sunnuds relating to India*, I, p. 19.

<sup>2</sup>*Calendar of Persian Correspondence*, IV, p. 348.

<sup>3</sup>Henry Thomas Colebrooke, *Remarks on the Husbandry and Internal Commerce of Bengal*, p. 113

<sup>4</sup>*ibid.*

<sup>5</sup>Milburn, *op. cit.*, II, p. 242.

of saltpetre manufacture Two advertisements were issued by the Company's Government on the 30th May and the 2nd July, 1811. 'authorising free purchase of saltpetre by private sale.' The proprietors of the saltpetre *mahals* in Bihar, who supplied saltpetre to the Company, protested against it in August, 1811, and submitted a petition to the Vice-President-in-Council praying that he be 'pleased to direct that we shall continue as heretofore to have the exclusive right of purchasing the saltpetre from the *Looneas* of the saltpetre *mahals* held by us and that no merchant or trader be allowed to interfere.'<sup>1</sup> The Commercial Resident at Patna also failed to get the usual quantity of saltpetre. So the Governor-General-in-Council issued an order revoking the advertisements, referred to above, and passed a regulation, which took effect from the 1st October, 1813, and by which the monopoly of the Company was restored 'with a view to securing to Government all the saltpetre of the Bengal provinces.'<sup>2</sup> With the abolition of the Company's monopoly of the East India trade by the Charter Act of 1813 they were no longer required to supply annually some quantity of saltpetre to 'His Majesty's Stores' in England.'<sup>3</sup> In the next year they finally abandoned saltpetre monopoly.

During the Company's monopoly of saltpetre the lot of its manufacturers was far from satisfactory, and Regulation VIII of 1812 forbade use of compulsion or force on the indigenous manufacturers.

Salt manufacture was an important source of revenue to the Company's Government in Bengal. As an article of prime necessity, it formed naturally one of the principal commodities for internal trade in the province. In Bengal salt was manufactured along the coast between Balasore and Chittagong, in Hiji, Tamruk, the Twenty-four parganas, Dacca (Noakhali) and Chittagong. On an average about 28 lakhs of maunds of salt were manufactured every year in this province.<sup>4</sup>

As a result of the battle of Plassey, the English Company got possession of most of the salt-producing areas and their servants sought to bring its manufacture and trade under their absolute control This proved to be a source of friction between them and

<sup>1</sup>vide Appendix G.

<sup>2</sup>Quoted in H.R. Ghosal, op. cit , p. 146

<sup>3</sup>ibid, p. 147.

<sup>4</sup>Firminger, *Fifth Report*, II, pp. 260-63.



the Nawab's Government. After his restoration to the *masnad* of Bengal, Mir Jafar concluded a treaty with the English on the 10th July, 1763, article III of which provided that 'the English shall carry on their trade by means of their own *Dustucks* (passports), free from all duties, taxes and impositions, in all parts of the country excepting the salt, on which a duty of two and a half per cent is to be levied on the *Rowana* or Houghly (Hugli) market price.' The Court of Directors in their letter to Bengal, dated the 8th February, 1764, ordered that 'from the receipt of this letter, a final and effectual end be forthwith put to the Inland trade in Salt. Betelnut, Tobacco and in all other articles whatever produced and consumed in the country.' But article V of the treaty of 20th February, 1765, between the English Company and Mir Jafar's successor, Najm-ud-daulah, virtually restored all the terms of the treaty of 10th July, 1763, in relation to the former's trade in Bengal. Further, on the 10th August, 1765, Lord Clive and the Select Committee in Bengal established monopoly of salt manufacture and trade through a Society formed for that purpose and required to pay a duty of 35 p.c. to the Company on the salt sold by it. Under orders of the Court of Directors the Society of Trade was abolished in 1768,<sup>1</sup> and the indigenous *zamindars* and merchants were permitted to manufacture salt under certain restrictions,<sup>2</sup> they being particularly required to pay a duty of 30 per cent to the Company's Government.

Monopoly of trade in a country placed exclusively in the hands of one body is generally prejudicial to the interests of its inhabitants. Mr. Verelst, however, held that 'as the price of salt was fixed at two hundred rupees per hundred maunds, and all taxes, delays and difficulties, were removed, by collecting duty from the Society, the Committee were enabled to ascertain the price at the several markets, which would effectually secure the consumer from every imposition.'<sup>3</sup> He points out that Mr. Sumner (Head of the Society of Trade) enquired about the prices of salt for 20 years back and the price was then fixed at the several markets 'to which the Society transported salt, full fifteen per cent lower than the price at which it usually sold. From these markets it was carried by the natives; so that the consumer must purchase his salt for less than had been

<sup>1</sup>K.K. Datta, *Bengal Subah*, I, pp. 343-67.

<sup>2</sup>Firminger, *Fifth Report*, I, pp. 37-38, Richards, *Facts etc*, I, pp. 638-39

<sup>3</sup>*View etc. of Bengal*, pp. 116-17

ordinarily given.<sup>1</sup> In support of his view he has quoted the following figures about the price of salt in Bengal before the establishment of the Society. According to him, from 1760 to 1765 AD salt was sold in Calcutta from 100 Arcot rupees to 150 Arcot rupees per 100 maunds; at Patna the lowest price was 350 rupees and it often rose to 500 rupees, 600 rupees and even 700 rupees. The Committee of Trade established twelve different markets throughout the country. In order to settle the prices of salt in those different markets the prices of salt for many years past (from some places for 13 years, from some places upwards of 20 years) were taken into consideration by the Committee of Trade, which took a medium of those prices, and settled the price of salt 12 to 15 per cent lower than such medium. Mr. Verelst has also mentioned figures about prices of salt from Mr. Sumner's papers and from some original papers in the possession of Mr. Rumbold as 'proofs that the price of salt at Patna was nearly, if not precisely, communibus annis, the same, before the Society took place, during the continuance of the Society, and after the abolition of it . . .'<sup>2</sup> He has quoted from *Thoughts on the Affairs of Bengal* by Arch Keir, who was so great a trader in salt that he employed 13,000 people in one season for its manufacture, the following sentences to support his statements. 'That the Society for the trade in salt, betelnut, and tobacco, instituted by Lord Clive and the Select Committee, was so far from being detrimental to the country, that those articles were not only not sold dearer but indeed at a lower rate, during the monopoly, at most places at least, than, at a medium, had been done for many years before, while there was a fixed price upon them, which, no doubt, would have been of advantage to the people, had it been continued, particularly with regard to salt.'<sup>3</sup> Verelst admits that the price of salt increased after the establishment of the Society in and about Calcutta because 'formerly the duties were levied on the passage of salt to the different parts of the country and now the duty was levied upon its importation into Calcutta.'<sup>4</sup> But in his opinion this did not affect the people in the interior of the country, and he has also noted that Mr. Bolts estimated the price of salt by taking into consideration the Calcutta prices of that article instead

<sup>1</sup>ibid, pp. 113-14

<sup>2</sup>ibid, pp 116-17, fn.

<sup>3</sup>ibid, p. 115

<sup>4</sup>ibid, p 116, fn.

of forming a proper judgment by studying the condition of the people in other parts of the country.

Bolts gives quite a different account. According to him the establishment of the monopoly of salt trade greatly affected the interests of the people in general as the 'produce of the whole country was engrossed by the Committee, who paid at the rate of 75 rupees per 100 maunds, for what was sold in many places for upwards of 500 rupees per 100 maunds; which in effect was making a poor inhabitant pay at the rate of 6 rupees for a quantity of salt which, in the common course of the trade, he would have bought for one rupee'<sup>1</sup> He has quoted several documents in support of his view, both in the body of his book as well as in its appendix. If Bolts was biased against the East India Company, Verelst and Sumner were interested in the salt monopoly as members of the Committee of Trade.

There is no doubt that price of salt increased after the establishment of the Company's monopoly, and this badly affected the common people. During the administration of Nawab Alivardi, the price of salt was ordinarily fifty or sixty rupees per hundred maunds. As a result of the Marhtha invasions of Bengal, the price might have risen to 150 rupees per 100 maunds.<sup>2</sup> In 1765, before the monopoly, the price was Rs. 125 per hundred maunds. In 1766 it went up to Rs. 247 per hundred maunds. In 1767 the price was Rs. 231 per hundred maunds. After the abolition of the Society of Trade in 1768, the price came down to Rs. 148 per hundred maunds.<sup>3</sup>

In 1772 the Company's Government withdrew the private individual's right of salt manufacture by reserving it only for the Company. This plan proved to be unsuccessful 'from the want of sufficient means of securing to Government the exclusive market'<sup>4</sup> and there was deficit in Government revenue. So in 1776 Hastings introduced a new scheme under which 'the privilege both of manufacture and sale' of salt was leased out to individuals<sup>5</sup> But the leases did not bring out profit to the lease-holders who, therefore, 'very generally

<sup>1</sup>Bolts, *Considerations on Indian Affairs*, pp. 177-78.

<sup>2</sup>ibid, p. 174

<sup>3</sup>N.K. Sinha, *Economic History of Bengal*, I, p. 206,

<sup>4</sup>Prinsep, *History of the Political and Military Transactions in India*, II, p. 434

<sup>5</sup>ibid, pp. 435-36

threw them up.<sup>1</sup> In September, 1780, Hastings assumed the exclusive manufacture of salt in Bengal for the Company's government and provided for its management by the appointment of a Controller and through agents<sup>2</sup>

Salt thus produced was to be sold for ready money at moderate prices fixed by the Governor-General in Council. The Council in Calcutta at first opposed this plan<sup>3</sup> But the expectations of Mr. Hastings were justified, for the 'net average amount of revenue brought to account in the first three years following the new mode of management, was sicca rupees 40,00,500 and the same for the three years preceding the arrival of Lord Cornwallis sicca rupees 45,03,900'<sup>4</sup> A minor alteration was introduced by Lord Cornwallis in 1786-87. According to it this article was to be sold in periodical auctions, without partiality or favour, to the fairest bidder.<sup>5</sup> Cornwallis also passed some Regulations to protect the manufacturers of salt from oppression. Thus by the Regulation passed on the 10th December, 1788, the salt manufacturers, who had fulfilled their engagements, were given the 'liberty to renew or not to renew them in future' It is mentioned in the *Fifth Report of the Select Committee* of 1812 that 'under these rules, the revenue derived from salt has largely increased, and that the net advantage to the Company from this and improved sales, has risen to sicca rupees 11,725,700 on an average of the last three years'

In 1793 the administration of the Salt Department was transferred from the hands of the Board of Revenue to the Board of Trade, and the office of Controller was abolished 'In 1790 the price of salt varied between Rs 234 and Rs 314 In 1796-97 the average price of Bengal salt was Rs 308 per hundred maunds'<sup>6</sup>

A notification of the Company's Government, dated the 6th November, 1790, declared that every year there would be four sales of salt on the 1st of March, May, July and September respectively, that the quantity for each sale would be the same as far as practicable and that the purchases should be cleared out in two months<sup>7</sup>

<sup>1</sup>ibid

<sup>2</sup>ibid, *Fifth Report*, I p. 39, Rickards, op cit., I, p 640

<sup>3</sup>*Fifth Report*, I, p 39

<sup>4</sup>ibid

<sup>5</sup>Ross, *Cornwallis Correspondence*, I, p. 285, Rickards, op. cit., I, p 640

<sup>6</sup>N.K. Sinha, *Economic History of Bengal*, I, p 207.

<sup>7</sup>*Calender of Persian Correspondence*, IX, p 167.

By another notification, dated the 16th February, 1793, the public were informed that 'the quantity of salt to be sold, at each of the four sales, can only be determined by circumstances existing at the time, but that due notice of the quantity to be sold will be given to the public before each sale' It was also announced at the same time that 'the salt of any sale not cleared within two months will, immediately after the expiration of that term, be advertised for a ready money sale. At this sale the purchasers will not be allowed more than ten days to pay for their lots, and a deposit of ten per cent, which will be required on the day of sale, will be liable to be forfeited in case the lots should not be paid for within ten days, and the first purchasers who shall not clear out their lots within the term prescribed, will be liable to any deficiency noticed at the time of resale to be made upon the terms and conditions above described; while the Company shall be entitled to any profit arising therefrom'<sup>1</sup>

The Company then procured salt through two systems, viz (1) the 'system of free' compact with persons known as *Thika Molungis* and (2) a 'system of coercion' imposed on persons called *Ajjarah Molungis*. The *Ajjarah Molungis* were bound to the soil and 'there was no recession from it'<sup>2</sup> Their lot was extremely pitiable. The quantity of salt, which they were asked to supply, could not be actually manufactured by them. This caused accumulation of balances. The price of *Ajjarah* salt was gradually raised from Rs 14 per hundred maunds to Rs. 26-10-1 in Hijli and Rs. 27-2-9 in Tamluk. But this did not bring about any improvement in the situation. On the recommendation of the Board of Trade, the Company's Government abolished the *Ajjarah* system in 1794 and the *Ajjarah Molungis* were placed on the same footing as the *Thika Molungis*. In 1793-94, in Hijli the lowest rate of payment to *Thika Molungis* was 40 Arcot rupees per hundred maunds and the highest rate was 60 Arcot rupees per hundred maunds in one of the *paragans*. . . . Their daily wages amounted to 1 anna 2 *gandas* and 3 *cowries*. The common labourer got 13 *gandas* per day.<sup>3</sup> The salt agent at Hijli considered the daily wages of the *Thika Molungis* to be inadequate and soon increased these by 55 per cent. But this did not improve their condition. The condition of the salt-labourers was not better than that of ordinary slaves

<sup>1</sup>ibid, X, p. 256.

<sup>2</sup>Quoted in N.K. Sinha op. cit., I, p. 208

<sup>3</sup>ibid.

The general policy of the Company's Government was to prevent import of salt into Bengal from outside. They apprehended that it would cause reduction in the price of Bengal salt and would affect their revenue. They allowed, however, import of some quantity of it from the Coromandel coast and also from the Arabian and Persian Gulfs.<sup>1</sup> The Company extended its monopoly of salt trade to Banaras and to the Ceded and Conquered Provinces, and the salt imported into these areas from Rajputana, the Deccan and other parts of India was purchased for the Company by the Agent for the provision of Foreign Salt, and resold to the merchants.<sup>2</sup>

To prevent illegal manufacture or importation of salt the Company's Government appointed a Superintendent for the Upper Provinces with headquarters at Farrukhabad. They took some other steps also. But despite all these measures, it did not become possible for them to prevent such practices. Illicit manufacture of salt continued both in Bengal and Bihar, and smuggling of salt from one part of the province to another and from the western province into Bihar could not be stopped.<sup>3</sup> In 1800 the Board of Trade represented 'that they had reason to believe that an illicit trade in salt prevailed to an extent which demanded immediate attention'. They at the same time expressed their opinion that 'this trade was not confined to the manufacturers of salt, but the dealers in salt, the officers employed to superintend the manufacture, and the officers stationed at the *chokies* were also concerned in this illicit traffic.'<sup>4</sup> We read in a letter of the year 1811 that 'illegal importation of salt into Bihar from the western parts had become general' and was 'increasing daily very generally'.

Opium monopoly was 'a principal branch of the East India Company's territorial revenue in India'.<sup>5</sup> The East India Company in Bengal enjoyed a monopoly of trade in opium since 1761<sup>6</sup> and in 1765 they threw this trade and its profits in the hands of their

<sup>1</sup>H.R. Ghosal, *op cit*, p. 108.

<sup>2</sup>*ibid*

<sup>3</sup>There are references to this in some letters discovered by me several years back in the Record Room of the District Judge of Patna. I edited these in a volume.

<sup>4</sup>*Separate Revenue letter to Court*, 2nd September, 1800 *Fort William-India House Correspondence*, XIII, pp. 516-17.

<sup>5</sup>Firminger, *Fifth Report*, I, p. 39.

<sup>6</sup>Monckton Jones, *Warren Hastings in Bengal*, p. 23.

servants at the Patna factory <sup>1</sup> During the administration of Warren Hastings half of the opium exported from Bengal went to China and the rest to Java and other countries.<sup>2</sup> In 1773 Warren Hastings granted the 'Contract of exclusive privilege for providing opium' to Meer Muneer and Ramchand Pandit, who 'had before the management of this business been under the factory at Patna' The contractors were to deliver Bihar opium at 320 rupees and Oudh opium at 350 rupees per maund.<sup>3</sup> In March, 1775, the Revenue Council at Patna communicated to the Council in Calcutta the following views about opium manufacture: 'What we have now to offer is in favour of a monopoly of the whole for the Company and to secure that . . . the Customs-Master be invested with authority, to search all *Budgerows* and Boats of whatever kind going to Calcutta, as it is notorious that great quantities have been smuggled down by Europeans of all denominations for want of such licence. That we have full and absolute power to seize opium wherever we find it, that shall turn out upon enquiry to belong to individuals, to confiscate the same, and to punish the *pykers* and *Assamies* detected in the sale. These conditions obtained we have not the least doubt to secure annually to the amount of 3300 chests of genuine unadulterated opium (provided the French who received this year 100 chests and the Dutch 450 are excluded from the Trade). Supposing that it can be contracted for here at the rate of 230 or 240 Rupees a chest, we need not mention what a prodigious advantage would accrue to the Company by withholding the sale of it in Calcutta, and exporting the whole on their own account as a supply to China The foreign merchants would soon find the difference between that and the spurious stuff they have been so long accustomed to meet with and consequently buy it all up annually at a price inconceivably beyond what has been hitherto given for that commodity, when every grain of it was probably mixed by the purchasers, and compounded with other substance . . .'

On the 1st of March, 1775, Meer Muneer and Ramchand Pandit sent intimation to the Governor-General about despatch of 311 chests of opium and commended Bhagwan Das, their agent in

<sup>1</sup>ibid

<sup>2</sup>J C. Sinha, *Economic Annals of Bengal*, p 168.

<sup>3</sup>Firminger, *Fifth Report*, I, p. 40.

Calcutta, to his favour.<sup>1</sup> The Company's notification stated that the purchases of opium 'would be made, to the satisfaction of the cultivators, and no oppression would be committed'<sup>2</sup> But the contracts were given to the friends of Mr. Hastings. In September, 1775, the contract for Bihar opium was given to Richard Griffith and that for Bengal opium to Wilton. Chait-Singh, Raja of Banaras and Nawab Asafuddaulah of Oudh, were asked by the Governor-General to afford Richard Griffith all possible facilities 'for carrying out his contract.'<sup>3</sup> Both of them promised to assist Richard Griffith in the purchase of opium in their respective areas. In 1777 Mackenzie replaced Griffith and Wilton in a contract for three years. In 1780 he was given an extension for one year. In 1781 Stephen Sullivan, son of Lawrence Sullivan, Chairman of the East India Company, got four years' contract for providing Bihar and Bengal opium.<sup>4</sup> On the renewal of the contract the contractors engaged 'to carry on their own business without oppression to the ryots, and would not force them to prepare the lands for the cultivation of the opium poppy, nor force them to cultivate the opium poppy, but leave them to till the lands as most agreeable to themselves.'<sup>5</sup> But they being eager to amass as much money as possible during their term of contract often committed various oppressions on the poor cultivators by forcing them to cultivate poppy.<sup>6</sup> A letter to the Provincial Council at Patna, dated 1st August, 1777, stated 'It having been intimated to us by good authority that in or about the month of January 1776, a considerable tract of land in the neighbourhood of Gaya was covered with green corn . . . that this corn was suddenly cut down in order that land might be prepared for the immediate cultivation of poppy' Karl Marx significantly observed: 'His (Hastings') favourites received contracts under conditions whereby they, cleverer than the alchemists, made gold out of nothing.'<sup>7</sup>

G. Herclots, Chief of the Dutch Factory at Patna, wrote a letter to the Council of Revenue at Patna. on the 30th August, 1775,

<sup>1</sup>*Calendar of Persian Correspondence*, IV, p. 284.

<sup>2</sup>Firminger, *Fifth Report*, I, p. 40.

<sup>3</sup>*Calendar of Persian Correspondence*, IV, p. 342

<sup>4</sup>N K. Sinha, op cit., p 191.

<sup>5</sup>Firminger, *Fifth Report*, I, p 40

<sup>6</sup>Rickards op. cit , I, p. 649.

<sup>7</sup>Karl Marx, *Capital*, I, pp. 752-53



demanding free trade in opium and soliciting issue of an order to that effect. The Revenue Council replied that 'a general freedom of Trade have been long since published in the different Pergunnahs of this Province, but as the opium forms a considerable branch of the Company's Revenue, and is by no means esteemed an article of public commerce, we do not think ourselves authorised to countenance any persons in the provision thereof without the express directions of our superiors.'

On the 11th July, 1785, the Company's Government in Calcutta published that the contracts should be exposed to public sale and should be disposed of for a term of four years to the highest bidder.<sup>1</sup> The Government reserved to itself the right of appointing inspectors to supervise the manufacture of opium and enjoined upon the Collectors of the districts 'to hear all complaints of the ryots against the contractors and their officers and to grant such redress, according to the former practice and usage of the respective districts as may be required; and that this provision be publicly notified by advertisement throughout the districts where opium is manufactured, with this condition, that the contractors may appeal to the Board from the decision of the Collectors, provided such appeal be made within one month from the date of such provincial decision; which is in the meantime to be in force and obeyed, till the judgment on the appeal shall have been passed.'<sup>2</sup> A penalty of 300 rupees for every chest of opium was to be realised from the opium contractor on his failure to supply the stipulated contract. This left the ryots exposed to the oppressions of the contractors whose only business was to make good the contract by hook or by crook. 'Throughout the period of the contracts, compulsory means were used to compel the Ryots to prepare their lands for this particular tillage, and to cultivate the poppy in preference to other articles'<sup>3</sup>

This state of things attracted the attention of Lord Cornwallis after his arrival in Calcutta on 11th July, 1786. 'The mode of supply by contract' was not discontinued but was renewed by a public advertisement, dated 29th July, 1789, for another term of four years. Lord Cornwallis imposed many new conditions on the opium contractors with a view to affording relief to the opium

<sup>1</sup>*Fifth Report*, I, p. 40

<sup>2</sup>*ibid*

<sup>3</sup>Rickards, *op. cit.*, I, p. 649

cultivators and manufacturers'<sup>1</sup> He wrote to the Court of Directors on the 2nd of August, 1789, 'A regard for the true interests of the Company, no less than the irresistible claims of humanity, rendered it necessary to give these people the protection of laws against personal violence and to enable them to make an equitable bargain with the contractor for the produce of their labour'<sup>2</sup> As provided by the new terms of the contract, the contractor would not 'compel the ryots to engage for the cultivation of a greater number of bighas than they cultivated the preceding year,' but he was no longer to pay the penalty of 300 rupees for every chest of opium if he failed to procure the stipulated quantity for natural calamities

In spite of the contract the Government maintained a strict control over opium business in Bihar The contractor, his agent and staff also took strong measures to prevent smuggling of opium. We find that James Lindsay Ross was the contractor for Bihar opium in 1790 After his death Oswald Churters and W. J. Champain were appointed temporarily by Messrs Colvin and Bazett, with the permission of the Governor-General, to look after opium business at Patna But within a few months they had to deliver over charge of the opium contract to David Colvin, acting for Alexander Colvin, who had been appointed administrator to the estate of J. L. Ross after the latter's death.

The arrangement of 1789 fixed the prices to be paid to the cultivators by the contractor and the latter 'agreed to supply opium to the Company, at a lower rate than he could purchase it himself'<sup>3</sup> To obtain a good margin of profit the contractors adulterated the articles which affected its quality According to Regulation XXXII of 1793, the opium contract was to extend for four years beginning from 1st September, 1793. The contractor was required to supply 6,000 maunds of Bihar and 1,580 maunds of Bengal opium every year in chests containing two maunds each Certain measures were provided for to prevent adulteration of opium and its smuggling or illicit trade

But the decline in opium trade could not be arrested by these

<sup>1</sup>*Fifth Report*, I, p. 41

<sup>2</sup>Forrest, *Selections from the State Papers of the Governors-General of India*, II, Cornwallis, pp. 139-40, Ross, Cornwallis Correspondence, I, p. 554

<sup>3</sup>*Fifth Report*, I, p. 41.

measures. John Shore drew the attention of the Court of Directors to the fall of revenue from opium.<sup>1</sup> The Court of Directors observed in their letter, dated the 4th October, 1797, that 'the net gain to the opium in 1794-95 fall short of the profits in the preceding year to the amount of above fifteen lacks and a half of rupees, and that the estimated profit on this drug for 1796-97 is very little more than one lack of rupees '

Soon the Company decided to introduce the agency system in place of contract<sup>2</sup> and a Regulation to this effect came into force from the 11th July, 1799. It was stated in the preamble to the Regulation VI of 1799 that 'the revenue arising from opium having considerably declined during the latter years of the late contracts for the prices of that article, the Governor-General in Council. . . . resolved that the opium should be in future provided by agency.'

The agency system proved useful for the Company. Satisfied at the 'very favourable state of the opium sales' due to this, the Court of Directors observed in their letter, dated the 11th June, 1800, that the 'improved quality of the drug and the increasing price which it experiences at your sales have very fully established the superiority of the present agency system over that of contract, and we concur in opinion with the Board of Trade, contained in their letter of 5th July last, that this system, intelligently, faithfully and vigorously administered, will most undoubtedly maintain its superiority.'<sup>3</sup> The profit from opium for 'the second year, since the establishment of the system of agency' amounted to Rs. 23,70,706-6-7.<sup>4</sup>

The Company now began to deal directly with the opium manufacturers through their own servants. The Agency system too produced some abuses, and the Bihar opium cultivators were still oppressed by the Company's people in various ways.

The Regulations of 1799, modified to some extent in 1807, prohibited cultivation of opium outside Bihar and Banaras proper. This caused clandestine manufacture and much smuggling of, and secret trade in, that commodity in different parts of Bengal and

<sup>1</sup>Holden Furber, *The Private Record of an Indian Governor-Generalship*, p. 88 and p. 113.

<sup>2</sup>*Fort William, India House Correspondence*, XIII

<sup>3</sup>Para 8.

<sup>4</sup>Separate Revenue Letter to Court, 2nd September, 1800, paras 11-12.

Bihar, to prevent which did not prove to be an easy task for the Company's Government notwithstanding 'the unwearying vigilance' of Mr D. Oily, the Opium Agent at Patna

The Bihar Opium Agency supplied the bulk of the opium for the Company's trade. There was another Agency at Banaras. But the cultivation of opium in its jurisdiction was limited and ordinarily the production for a year did not exceed 1,500 maunds.<sup>1</sup> Due to some efforts on the part of the Opium Agent of Banaras, the output during the three years ending 1811-12 rose to 2,000 maunds.<sup>2</sup> The main reason for production of small quantity of opium in the area was that the cultivation there was under the immediate supervision of the Agent, who could not exercise superintendence over extensive tracts of lands. In Bihar, on the other hand, supervision work was done by a number of subordinate agents.<sup>3</sup> In the Patna and Gaya districts there were several subordinate opium factories under the control of the chief factory at Patna. These were located at Bihar Sharif, Tehta,<sup>4</sup> Rampur,<sup>5</sup> Jwaffar,<sup>6</sup> Anti,<sup>7</sup> Khagaul,<sup>8</sup> Sadikpur<sup>9</sup> and Nawadah.<sup>10</sup> In the Shahabad district there were opium factories at Arrah, Bhabua,<sup>11</sup> Mahabalipur,<sup>12</sup> Bhojpur,<sup>13</sup> Daudnagar<sup>14</sup> and Chakditchat.<sup>15</sup> In north Bihar such factories were situated at Bidupur,<sup>16</sup> Lalganj,<sup>17</sup> Darbhanga, Barnawada,<sup>18</sup> Chapra,

<sup>1</sup>H R. Ghosal, op cit, p. 125.

<sup>2</sup>ibid

<sup>3</sup>ibid

<sup>4</sup>A village in the Jehanabad subdivision of the Gaya District

<sup>5</sup>About 22 miles south-west of Patna.

<sup>6</sup>Jaffarganj, between Gulzarbagh and Patna City.

<sup>7</sup>A village in the Gaya District

<sup>8</sup>In the Dinapur subdivision

<sup>9</sup>Between Gulzarbagh and Patna City

<sup>10</sup>In the Gaya District

<sup>11</sup>South-west of Arrah in the Shahabad District

<sup>12</sup>A village in the Patna District, situated about 35 miles south-west of Patna and east of the Son

<sup>13</sup>About eight miles east of Buxar.

<sup>14</sup>In the Aurangabad subdivision of the Gaya District.

<sup>15</sup>Not yet identified

<sup>16</sup>About seven miles east of Hajipur town.

<sup>17</sup>About 12 miles north-west of Hajipur town.

<sup>18</sup>Now known as Begni Nawadah, situated about 15 miles east of the Darbhanga town

Dighwara<sup>1</sup> and Dumari<sup>2</sup> Each sub-factory had under it several smaller stations. All of these were managed by Indian servants under the control of the Opium Agent at Patna or from 1816 of the Deputy Agents in Districts.

So, due to strict supervision on the part of the local officers of the Company for about fifteen years after the introduction of the Agency system, opium smuggling was checked to some extent in the Patna district and the neighbouring localities. But clandestine trade in opium continued to be carried on by Indian traders and *Pykars* in Birbhum, Burdwan, Hugli, Bankura, Midnapore, Balasore and Cuttack. In the Patna district and its adjacent localities also there was increase of opium smuggling from 1814-18.<sup>3</sup>

China was the largest market for Bengal and Bihar opium, and small quantity of it was occasionally exported to Malaya and the East Indies, to Pegu, and to the Arabian and Persian Gulfs. Still smaller quantity of it was occasionally despatched to Bombay, Madras and England for medicinal uses.<sup>4</sup> Notwithstanding some attempts on the part of the Chinese Government to prohibit importation of opium into their country, considerable quantity of Bengal and Bihar opium was exported to China. Its value in 1814-15 was more than 71,71,000 sicca rupees.<sup>5</sup> The Company did not directly trade in opium but disposed it of by periodical auctions in Calcutta. Actual trade in it was carried on by private traders, such as the officers and commanders of their ships and some residents in India.

Besides the largescale industries, mentioned so far, there were various subsidiary industries to which the people engaged themselves in addition to their manufacturing or agricultural pursuits. The most important of these was manufacture of mixed cotton and silk goods. Buchanan refers to manufacture of such mixed cloths at different places in Bengal, and Bihar. At the beginning of the nineteenth century, about two hundred families of weavers were engaged in mixed cloth manufacture at Maldah.<sup>6</sup> But it declined

<sup>1</sup>About 18 miles east-south east of Chapra.

<sup>2</sup>Now known as Dumari, situated about nine miles to the north of Chapra. H.R. Ghosal, op. cit., p. 124 footnote.

<sup>3</sup>K.K. Datta, *Selections from Unpublished Correspondence of the Judge-Magistrate and the Judge of Patna, 1790-1857*, pp. 159-67.

<sup>4</sup>Quoted in H.R. Ghosal, op. cit., p. 131.

<sup>5</sup>ibid, p. 133.

<sup>6</sup>Martin, *Eastern India*, II, p. 971.

gradually like the cotton industry. Kashmir specialised in the manufacture of woollen fabrics out of wool imported there from Tibet. Fine shawls manufactured there were very much in demand in different parts of India.<sup>1</sup> Some of these were made highly beautiful 'by the introduction of flower work'.<sup>2</sup> We read in the account of Forster's Journey that there were three sizes of these shawls. Two of these 'the long and the small square one' were 'in common use in India' and the other 'long and very narrow, with a large mixture of black colour in it' was used as 'a girdle by the Northern Asiatics'.<sup>3</sup> An attempt made in 1802 to establish a woollen factory in the Ceded Provinces like those in Kashmir did not prove successful.<sup>4</sup> Coarse woollen fabrics, such as blankets and carpets, were woven in certain other parts of the country. Buchanan, for example, refers to their manufacture in Bengal and Bihar.

Bengal, particularly North Bengal, was an important jute producing area, and hand-woven jute formed a subsidiary industry of the local people. The English East India Company exported gunny bags from Bengal, and Bengal's trade in gunny bag was in a flourishing condition till the middle of the 19th century. Lac-rearing and manufacture, paper-making, soapmaking, glass manufacture and stone-cutting working in ivory and buffalo horn, making of gold and silver ornaments and wooden furniture and pottery, carpentry, tanning and shoemaking formed some other subsidiary industries.

India is a land of vast mineral resources and it is highly interesting to know how people here in those days paid considerable attention to and displayed remarkable skill in metallic and mining industries. Contemporary writers like Ives,<sup>5</sup> Stavorinus<sup>6</sup> and Craufurd<sup>7</sup> testify to the excellent quality of work of the silver-smiths, blacksmiths, and other mechanics. The hills of Bihar and Chotanagpur were studded with mines of different kinds of minerals, such as quartz, jasper, hornstone, mica and crystals.<sup>8</sup> The hills of

<sup>1</sup>Milburn, *Oriental Commerce*, I, p. 219.

<sup>2</sup>*ibid.*

<sup>3</sup>Forster, *Journey, etc.*, II, p. 19.

<sup>4</sup>H.R. Ghosal, *op. cit.*, p. 159.

<sup>5</sup>*Voyage*, pp. 52-53.

<sup>6</sup>*Voyage to the East Indies*, I, pp. 411-13.

<sup>7</sup>*Sketches of the Hindus*, II, pp. 98-99.

<sup>8</sup>*Rennell's Journals*, pp. 109-11, Buchanan, *Bhagalpur Report*, pp. 369-99.

Chotanagpur and of the area which later on came to be known as the Santal Parganas from 1855, and also the high lands of Birbhum in Bengal, contained many iron ores. There were several iron manufactories<sup>1</sup> in Birbhum. Referring to Monghyr, a contemporary writer, Twining, observes that an iron ore there was 'more precious than gold to the industrious inhabitants of Monghyr, sustaining by its abundant and cheap supplies an extensive manufactory of iron utensils of almost every description.' He also writes. 'A traveller from Europe is surprised to see presented to him for sale in the interior of India, knives and forks, saucepans, grid-irons, and tea-kettles, which would not discredit an iron-monger's shop in London.'<sup>2</sup> While guns were manufactured at different places, Monghyr enjoyed a special reputation in this respect. Haji Mustafa, translator of *Siyar-ul-mutakherin*, the famous eighteenth century Persian history of India, remarks 'the European reader may possibly hear with surprise, that these firelocks manufactured at Monghyr proved better than the best Tower-proofs, sent to India for the Company's use; and such was the opinion which the English officers gave then, when they made the comparison by order of the Council of Calcutta. Their flints were all Rajmahal agates, and their metal more mellow. And even today, 1786, Colonel Martin, a Frenchman, who has greatly distinguished himself these twenty two years in the English service, has at Lucknow a manufactory where he makes pistols and fusils better, both as to lock and barrel, than the best arms that come from Europe. The comparison has been repeatedly made and Sir Elijah Impey, Chief Justice of the Supreme Court of Calcutta, carried to Europe one pair of these pistols.' Guncarriages were manufactured near Calcutta and at some other places in the Bengal Presidency.<sup>3</sup> We know from Buchanan, who surveyed southern India in the first few years of the 19th century, that in the Mysore districts manufacture of steel from iron

<sup>1</sup>*Rennell's Journals*, pp 109-11. In 1850 there was an interesting discovery of some copper ores near Deoghur (then in Zillah Birbhum and now in the district of Santal Parganas). *JASB*, 1851. An issue of the *JASB*, 1854, published notes upon a tour through the Rajmahal Hills by Captain W S. Sherwill, which contain plenty of details about mineral resources of this area. For mineral resources (gold copper, iron, etc.) of the Singhbhum Division, vide *JASB*, 1854, pp. 103-22.

<sup>2</sup>Twining, *Travels in India a Hundred Years Ago*, pp 127-28.

<sup>3</sup>Long, *Selections from Unpublished Records*, p 39+p. 120, Seton-Karr, *Selections from Calcutta Gazettes*, II, pp. 45-49.

ores was a common industry.<sup>1</sup> Another contemporary writer, Heyne, remarks that the steel manufactured in Mysore was the best he had ever seen, though smelting of iron was crude and the steel-manufacturers did not know the methods of fusing the metal and forming it into bar.<sup>2</sup> Bijapur kingdom supplied diamonds and pearls.<sup>3</sup> Forbes notes that 'the diamonds, sapphires, and rubies of India, have always been held in the highest estimation; in topazes, amethysts and some other gems, perhaps America may be equal; the most celebrated diamond mines are at Golconda in the territory of the Nizam; and Raolconda, near Visapoor, in the Mahratta empire.'<sup>4</sup>

India with her intimate relations with the outside world since remote antiquity had a flourishing ship-building industry. It survived through the days of the Chola and Vijayanagar Empires and also in the succeeding centuries, inspite of the onrush and competition of new political and economic forces from the foreign countries. There are positive references to the survival of this industry in the period under review in some important contemporary accounts and records. The chief centres of ship-building industry then were Surat, Bombay and Daman on the western coast, and Hugli, Dacca and Chittagong and Sylhet in Bengal. According to Grose, Surat was famous for construction of 'incomparably the best ships in the world for duration' of all sizes and capacity of over a thousand tons.<sup>5</sup> He further notes that, as navigators, Indians were not inferior to the Europeans, though the latter were 'more vigorous.' Raynal observes that ships built in India 'lasted for ages' and were mostly of 'a thousand or twelve hundred tons burthen' and that the Indians were sufficiently skillful navigators.<sup>6</sup>

Due chiefly to European competition, shipbuilding industry of Bengal began to decline since the early years of the 19th century. Until at least 1780, Bengal had to depend for ships on the ports of

<sup>1</sup>Buchanan, *A Journey etc.*, I, p. 151, +pp. 174-75, II, p. 19+pp. 283-4; III, pp. 362-63+pp. 376-79.

<sup>2</sup>Heyne, *Tracts*, pp. 358-64

<sup>3</sup>*Abbe de Guyon*, op. cit., I, p. 301

<sup>4</sup>Forbes, *Oriental Memoirs*, I, pp. 445-46

<sup>5</sup>Grose, *Voyage, etc.*, 108-10

<sup>6</sup>Raynal, op. cit., II, pp. 31-32.



Surat,<sup>1</sup> Bombay,<sup>2</sup> Daman and Pegu and had also to purchase occasionally European vessels. But the outbreak of a terrible famine in the Carnatic in 1780-81 in the course of the Second Anglo-Mysore War, and the consequent need of more and more tonnage to transport troops and supplies for the relief of the Company's settlements on the Coromandel Coast, helped the revival of ship-building in Bengal.<sup>3</sup> Many private European individuals became much interested in it and 'built considerable number of ships' out of their own capital. This industry began to be pursued henceforth 'with so much vigour that instead of depending on other countries, as formerly, for the means of conveying her produce to foreign ports, Bengal now supplies,' writes Milburn, 'not only shipping for her own commerce, but for sale to foreigners, and ship-building has become a very considerable branch of home manufactures.'<sup>4</sup>

Ship-building in India was the concern of private individuals, many of whom were Parsis and other Indians. Lord Wellesely encouraged Indian shipping industry. In order to prevent Indian trade from passing into the hands of foreigners he permitted the free merchants of Calcutta in 1798 to make use of Indian-built ships for export and import trade with Great Britain. He licensed some ships to proceed to London in 1799 and again in 1800.<sup>5</sup> 'The employment of ships built in India,' he communicated to the Court of Directors on the 30th September, 1800, 'is no longer merely a question of expediency or of liberal commercial policy, the deficiency of the tonnage expected from Europe reduces me to the necessity of providing a large proportion of Indian tonnage for the service of the present session in order to secure the conveyance of heavy articles of your investment and so fulfil your legal obligations.' Between 1781 and 1821 no less than 272 ships of a total tonnage of 1,22,693 were launched by the Hugli dockyard.<sup>6</sup> In

<sup>1</sup>Forbes saw a ship at Surat which 'had been built near eighty years' *Oriental Memoirs*, I, p. 243

<sup>2</sup>'Bombay claims a distinguished rank among our foreign naval arsenals, it has always been famous for ship-building, and formerly supplied Bengal and other parts of India with shipping, and when any considerable repairs were wanting, they were obliged to proceed to Bombay to have them effected. Many fine ships have lately been built at Bengal, so that this branch of commerce at Bombay is rather diminished' Milburn, *Oriental Commerce*, I, p. 171.

<sup>3</sup>Milburn, *Oriental Commerce*, II, p. 174

<sup>4</sup>ibid.

<sup>5</sup>Owen, *A Selection from Wellesley Despatches*, pp. 701-18.

<sup>6</sup>*Modern Review*, May, 1944.

England, however, there grew an attitude of opposition to Indian ship-building on the apprehension that it would prove prejudicial to the shipping interests of Great Britain and the Navigation Act passed by the British Parliament imposed restrictions on Indian shipping. This, no doubt, prejudiced the cause of India's ship-building industry, which ultimately disappeared due to British competition.

Gradually the other old and famous industries of India went to the point of extinction, and she lost her proud position as a world centre of trade and industry due to the operation of various forces during the first century of British rule in India, that is, in the period extending from Plassey to the Indian Movement of 1857-59. Scholars have differed in their opinions regarding the causes of this change. On the basis of evidence of some contemporary Englishmen regarding the affairs of the East India Company, Mr. R.C. Dutt, one of the greatest scholars of renaissance India and a pioneer in writing the economic history of this country, expressed the view that the 'British statesmen in the early years of the nineteenth century did all they could to promote British industries at the sacrifice of Indian industries. British manufactures were forced into India through the agency of the Company's Governor-General and Commercial Residents, while Indian manufactures were shut out from England by protective tariffs'<sup>1</sup> Prof. C.J. Hamilton held a different view.<sup>2</sup> According to him, the 'decline of India's cotton manufactures... must be explained not by reference to the hostile devices of England's commercial policy, but to the advent of machinery which revolutionised the methods of production in the West, while leaving them for a number of years unchanged in the East.'<sup>3</sup>

There is, however, indubitable evidence to show that British commercial policy since the beginning of the 18th century was well calculated to protect, encourage, and help the growth of the manufactures of England and to 'stimulate in every possible way,' as Hamilton himself notes, 'the foreign demand for her products'<sup>4</sup> But on the other hand the Company's Government in India, who had certainly become political masters of some important portions

<sup>1</sup>R.C. Dutt, *India under Early British Rule*, p. 261

<sup>2</sup>Hamilton, *Trade Relations between England and India*, Chapter V

<sup>3</sup>*Ibid* p, 111.

<sup>4</sup>*Ibid* p, 110.

of this country by 1765, and who professed to undertake responsibility for their administration from 1772, did not take adequate steps to protect and save the Indian industries against the encroachment of newborn British industrialism or the adverse influence of several other factors. It is obvious that the British ruling authorities, both in England and India, then wanted to promote the interests of their home industries at the cost of the Indian industries

The keynote of tariff legislation of the British Parliament during the 18th century was protection of the cotton industry of Great Britain. An act of the British Parliament, passed in 1700,<sup>1</sup> did not apply to *muslins* proper and white calicoes; but these were subjected to an import duty of 15 per cent *ad valorem*. A series of other steps followed this measure of 1700 for the protection of British textile industries against foreign competition. As increased quantity of white calicoes began to be then imported into England and to be printed there, an Act was passed in 1720 prohibiting the use of printed calicoes, whether these were printed in England or at any other place. Additional duties on Indian cotton goods were imposed in 1747, 1759 and 1765.<sup>2</sup> Thus when the English East India Company obtained the *Diwani* grant of 1765, the Indian silk and cotton manufactures 'paid an import duty of approximately 45 per cent *ad valorem*'<sup>3</sup> which exceeded by more than 100 per cent the duty on the raw materials imported from India for the textile industries of England.<sup>4</sup> More duties were imposed on Indian goods by the British Parliament from 1797 onwards. The eighteen per cent *ad valorem* duty on plain *muslins* and on *muslins* and calicoes, stitched or flowered, went above thirty five per cent *ad valorem* in 1805; and on *dimities* and plain white calicoes the duty was enhanced from forty per cent before 1797 to more than sixty six per cent in 1805. There was maximum increase of duties in 1813 when an *ad valorem* duty of more than forty four per cent was charged on *mushns*, plain, flowered or stitched, and on *dimity* the duty rose to slightly

<sup>1</sup>Vide ante. According to Taylor, who had much experience of Bengal's cotton industry, import of certain varieties of *muslin* was prohibited by this Act. Taylor, *A Descriptive and Historical Account of the Cotton Manufacture of Dacca*, p. 127; J.C. Smha, op. cit., p. 26 footnote

<sup>2</sup>Hamilton, op. cit., p. 108

<sup>3</sup>ibid.

<sup>4</sup>ibid, p. 110.

over eighty-five per cent.

No impartial student of history can fail to understand the prejudicial effects of these high tariffs on India's cotton manufactures. One of the important markets for these, that is, the British market, was lost gradually as a result of this protective tariff policy of England and these were finally closed for such Indian goods between 1805 and 1818. It has also to be admitted that the increasing restriction of the Indian imports supplied greater impulse to the use of machinery for English cotton industry, which proved to be a rival of Indian cotton industry.

It has been pointed out that, in spite of these tariff Acts, there was, on the whole, increase in the import of Indian cotton piece-goods to England and Europe between 1784 and 1805. The reasons for this were advent of the American traders in the field of India's trade after the Peace of Versailles in 1783, the growth of a new spirit of commercial enterprise among the nations of the West also after it, and the partial opening of East India trade to private enterprise by the Charter Act of 1793. The markets there too were soon lost for the Indian textile goods because of the hindrances caused by Napoleon's Continental System and the Anglo-Danish War in 1807-8 which almost brought to an end Denmark's trade with India. Her trade with Portugal was also affected badly from 1807 due to Napoleon's anti-British Decrees and the British Orders-in-Council.

From the early years of the eighteenth century ensued a period of political disintegration and disorder in the history of India which naturally produced repercussions on the economic condition of the country. Lack of character, ability and farsightedness of the rulers and the aristocracy, bitter court intrigues and conspiracies, the invasion of Nadir Shah and the repeated inroads of Ahmad Shah Abdali, and march of triumphant Maratha imperialism in different parts of India had begun to affect the economic vitality of India. But still India's old economic order had not been seriously damaged. Manufactures and trade were not yet subject to undue oppression and restrictions, and Alivardi did his best to maintain an effective control over the European Trading Companies in Bengal.<sup>1</sup> 'He was,' writes Jean Law, 'zealous of his authority. He specially affected a great independence whenever there was question of any affair between himself and the Europeans. To speak to him

<sup>1</sup>K.K. Datta, *Alivardi and His Times*, Chapter V

of *firmans* and of privileges obtained from the Emperor was only to anger him. He knew well how to say at the proper moment that he was both King and Wazir.<sup>1</sup> In the words of Orme, cotton 'manufacture was less liable to outrages than any other trade. . . .'<sup>2</sup> According to Bolts, 'in the time of the Mogul Government, and even in that of the Nabab, Allaverdy Khawn, the weavers manufactured their goods freely, and without oppression, and though there is no such thing at present, it was then a common practice for reputable families of the *Tanty*, or weaver caste, to employ their own capitals in manufacturing goods, which they sold freely on their own accounts. There is a gentleman now in England, who in the time of that Nabab, has purchased in the Dacca province in one morning eight hundred pieces of *muslin* at his own door, as brought to him by the weavers of their own accord.'<sup>3</sup> That there is no exaggeration in this view of Bolts is clear from what Verelst, his critic, observed in some of his official despatches with regard to the period before 1757. Thus in a letter to the Court of Directors, dated the 5th April, 1769, he referred to the 'vast variety and abundance of the produce of the lands and the Excellency of the Manufactures of the Inhabitants,' their 'superior cheapness and quality' and 'general opulence.'<sup>4</sup>

The situation began to change rapidly after 1757. The quickly succeeding political revolutions, lack of sound governance and administrative order, widespread chaos and confusion produced a state of insecurity, at the cost of economic prosperity or social tranquillity of the country. These 'have kept these provinces,' wrote Verelst to the Court of Directors on the 28th March, 1768, 'in a continued state of confusion and introduced all the evils attendant upon war. Cultivation was neglected, Manufactures were destroyed, and numbers of weavers and winders were obliged to procure subsistence from a less precarious employment.' Referring to the decline of cotton manufacture at Dacca, James Rennell, Surveyor of the East India Company, observed in August, 1765: 'We may easily account for its decline, by the continual wars which have of late years wasted the whole country and in the fomenting of which we have had too large a share.' Decay of old indigenous courts,

<sup>1</sup>Hill, *Bengal in 1756-57*, III, p. 160.

<sup>2</sup>Orme, *Historical Fragments etc.*, pp. 411.

<sup>3</sup>Bolts, *Considerations etc.*, p. 194.

<sup>4</sup>N.K. Sinha, *Fort William—India House Correspondence*, V, pp. 545-53

displacement of many from their services and consequent unemployment, ravages of the Himalayan tribes, the Mugs and the Portuguese, exacting revenue farming system, huge drain of wealth out of the country in various forms, and acute currency disorders, had the cumulative effect of accelerating general economic decline and national insolvency in other ways too. In May, 1765, the Select Committee beheld Bengal as a 'Presidency divided, headstrong and licentious, a government without nerves, treasury without money, and service without subordination, discipline, or public spirit . . . amidst a general stagnation of useful industry, and of licensed commerce, individuals were accumulating immense riches, which they had ravished from the insulted Prince and helpless people, who groaned under the united pressure of discontent, poverty and oppression.'

To add to these were the pernicious effects of some objectionable actions on the part of the Company's servants, particularly in the Bengal Subah. Monopolistic control exercised by the Company over the cotton manufactures, and various obnoxious and oppressive practices on the part of the Company's agents, *gomastas* and *bamans* in the collection of larger quantity of investments for their masters and also in their growing private trade, told heavily on the fortunes of the cotton manufacturers and were very much responsible for aggravating their miseries to the ultimate prejudice of cotton and silk industries. The Court of Directors took a sensible view about one of the causes of the decline of cotton and silk manufactures in Bengal. When the Council in Calcutta pleaded that the 'greatness of the demand' for investments accounted for the 'Difficulty' they met with, and suggested that they should co-operate with the French and the Dutch to be able 'to monopolise the whole manufacture of the country,' the Court of Directors disapproved of it in strong terms. They observed in their letter, dated the 11th November 1768, 'We can ascribe your difficulties to nothing but the oppressed state the Weavers have been in for some Years; which has occasioned many of them to fling up their looms, . . . Force is exerted to make the Weavers undertake the Company's Business, which they are unwilling to engage in because we do not pay them a fair price. The Gentlemen at Dacca say the Foreigners give 20 and 30 per cent more than we do, but the Fact that comes the strongest to the point is the sale of the Ferritt and Damaged Goods which sold at Public Auction from 10 to 100 per cent advance, a clear proof of the in-

justice done to weavers, at once Accounts for the reluctance to work for the Company, and violence being added to that, we are no longer to seek for the reasons why so many of them quit their Looms. There cannot be a stronger Picture of oppression than these Letters have laid open to us . . . . 'We are convinced,' they continued, 'due Encouragement and Protection to the weavers will be the only means of promoting the Manufactures. . . . Merchant and Manufacturer is a natural union, but a Manufacturer dreads the hand of Power which always handles him too roughly.' We read as follows in the Public Proceedings of the 12th April, 1773: 'The two annexed papers which the President found from an examination into the complaints made to him by the weavers of Santipore (in Bengal) and which he has every reason to believe to be authentic will show the present miserable situation of the weavers, since it appears that the prices given to them for the cloths provided on account of the Company's Investment, amount to no more and in some instances less than the cost of the materials and their labour is extracted from them without any repayment. They are at the same time forbid (*sic*) under pain of corporal chastisement and forfeitures to work for private merchants or to make any other assortments but those ordered for the Company's Investment, so that they have no means of living but by sinking a part of the advances made them in irrecoverable balances and by embezzlements and clandestine sale of your cloths to others <sup>1</sup> Verelst writes that the '*gomastahs*, or agents of the Company, were necessarily therefore entrusted with powers, which they frequently abused to their own emolument; and authority given to enforce a just performance of engagements, became, notwithstanding the utmost vigilance of the higher servants, a source of new oppression.'<sup>2</sup>

<sup>1</sup>Quoted in J.C. Sinha, op. cit., pp. 83-84.

<sup>2</sup>Verelst, *View etc. of Bengal*, p. 85. The popular story of the weaver's thumb originated because of these extraordinarily notorious practices on the part of the Company's servants. We get two versions of this. One is that the servants of the East India Company and their agents, in order to force British manufactures into Bengal, cut off the thumbs of the weavers. The other is that to escape oppression from the Company's people the weavers themselves cut off their own thumbs. The first version, as Dr. J.C. Sinha rightly points out, 'is on the face of it incredible' (*Economic Annals of Bengal*, p. 85). There does not seem to be any truth in the second one also. Its basis is probably a statement in Bolts' *Considerations on Indian Affairs* (p. 194), to the effect that 'instances have been known of their (the winders of raw silk) cutting off their thumbs, to prevent their being forced to wind silk.'

The Government of Warren Hastings sought to help the recovery of the old manufacturers. Thus they wrote to the Chief and Council of Revenue at Patna on the 14th March, 1775: 'That besides the general encouragement which we expect you will give to the Industry of the Natives, we enjoin you to give assistance and protection to all Manufacturers, who may be willing to return to their former occupations, if it should appear that any such Manufacturers have either abandoned their settlements or quitted their business.'

That if any Arts or Manufacturers particular to the respective districts shall appear to have been lost or to have declined, you do use your utmost efforts to recover them by holding out the protection of Government and a public solemn assurance to the parties that they shall enjoy without molestation the sole possession and free disposal of the produce of their labour and industry.'

But the evil was too rampant to be eradicated by such orders. Lord Cornwallis wrote in a letter to the Court of Directors, dated the 1st November, 1788: 'The exercise of influence was not confined to the business of the Company. Their servants, other Europeans and the native agents of all had recourse to it. Merchants from the upper parts of Hindostan were in effect expelled, those concerned in exports by sea discouraged and the manufacturers not only restrained, but too often oppressed by the numerous tribes of native agents dispersed over the country who served themselves at the expense (*sic*) both of their employers and of these with whom their (they?) dealt.'

When greed and ambition of unscrupulous persons were rampant, causing miseries to the common man, natural calamities served to aggravate these during the years of their occurrence and for some time after these. Thus due to the dreadful famine of 1770, which produced devastating effects<sup>1</sup> in Bengal and Bihar, large numbers of the spinners, the weavers and the cotton growers died. This was responsible, to some extent, for causing a rise in the price of cotton thread and a deterioration in the cotton manufacture. At Maldah the price of cotton thread was Rs 4 and 6 annas per seer fine and Rs. 2 and 4 annas per seer coarse. It went up to Rs 6 and 4 annas per seer fine and Rs 3-2-9 per seer coarse.<sup>2</sup> We read in the *Consultations* of the 19th September, 1770: 'Deficiency of the Maldah investment, in consequence of the severe drought which has pre-

<sup>1</sup>Hunter, *Annals of Rural Bengal*, pp 399-421.

<sup>2</sup>N.K. Sinha, *Economic History of Bengal*, I, pp. 149-50.



vailed there, which has swept away many of the inhabitants, and so enfeebled those that remain, that there is not half the quantity of cloths prepared this year as the last.'<sup>1</sup> The Company's Resident at Dacca wrote in 1776 'The Dacca fabric for these six or seven years past has been upon the decline as to quality, great part whereof may be attributed to the ravages of the famine in 1770 carrying away great numbers of the best spinners and ryots who cultivated the cotton plant. The loss is not yet recovered, nor will it for many years to come.'<sup>2</sup> The total output of cotton cloths at Dacca in 1776 was one-third less than what it had been ten years before.<sup>3</sup> It is stated in a Santipore record of 1773 that 'the price of yarn has been gradually rising for many years past. The number of spinners being greatly reduced by the famine it is now 25 per cent dearer than formerly. Yet the value of the cloths remains the same.'<sup>4</sup> There was another famine in Bengal in 1788. Though its effects were not so severe as those of the 1770 famine, it caused a scarcity of fine thread in Bengal.<sup>5</sup>

After struggling for several years against the adverse conditions mentioned above, India's cotton industry could not ultimately withstand the onrush of the new economic forces generated by the Industrial Revolution in the West. This Revolution was an immensely potential movement, destined to influence human life in various ways in all parts of the world and to effect a complete change in the relationship between man and man in social life and economic transactions. The several mechanical inventions helped the growth of England's cotton manufactures, finances for which were largely supplied by huge remittances of private fortunes by Englishman from India. In 1767 James Hargreaves, a Blackburn weaver, constructed the spinning jenny by which one person could spin 100 *hanks* in a day, each *hank* being equivalent to 840 yards. In 1769 Richard Arkwright invented a new type of spinning machine. The improvement in machine-spinning, which rapidly followed, removed some of the defects in manufactures of calicoes, and in 1773 some attempts made in this respect by Richard Arkwright and his partners

<sup>1</sup>Hunter, *Annals of Rural Bengal*, p 409.

<sup>2</sup>Quoted in N.K. Sinha, *Economic History of Bengal*, I, pp. 149-50.

<sup>3</sup>Hamilton, op cit., p 198.

<sup>4</sup>N K. Sinha, op cit., pp. 149-50

<sup>5</sup>Seton-Karr, *Selections from Calcutta Gazettes*, I, pp. 259-60.

at Derby proved successful. Some other important scientific inventions were Crompton's mule in 1779, Cartwright's power loom in 1785, Berthollet's bleaching process by chlorine in 1785 and cylinder printing process of Bell in 1784.<sup>1</sup> In 1787 'it was computed that not less than 500,000 pieces of *muslins*, including shawls and handkerchiefs, were annually made in Great Britain.'<sup>2</sup> General use of Arkwright's water-frame from 1785 and mushroom growth of cotton spinning mills in the course of the next few years helped extensive production of cotton goods in England.

The hand-made Indian products could not long compete with the machine-wrought goods of Europe, and gradually the Indian piece-goods of different classes were ousted from the markets of England and other foreign countries by the thirties of the 19th century. They lost the home markets too, as the general people here began to prefer English machine-made fabrics chiefly because these could be purchased at low prices.<sup>3</sup> Referring to Santipur in Bengal, Twining observed about 1793: 'This factory (of the English East India Company) and the prosperity of Santipore have since ceased to exist; the calicoes and Muslins of India, even for Indian use, having been supplanted by the steam-looms of Manchester.'<sup>4</sup>

The Court of Directors made the 'first tentative efforts for sale of Lancashire cotton cloths in Bengal in 1786'<sup>5</sup> Some factors favoured the importation of such fabrics into India. The Charter Act of 1813, which was to a large extent the outcome of the demand of new born British capitalism for fresh outlets, gave a fillip to private commercial enterprise of Englishman, who went on increasing the volume of the import of British manufactured cloths into India. On the close of the Napoleonic Wars, the entire British tonnage, so long engaged in these, came to be used for carrying goods to the east. Further, in 1815 the Bengal Government reduced the import duty on British goods by 2½ per cent. In 1813-14 the value of British cotton manufactures imported into Bengal was about 91,800 Sicca rupees only. With some decline for a few years following, the value of such goods, however, rose to 50,61,861 Sicca rupees a year.

<sup>1</sup>Amalek Tripathi, *Trade and Finance in the Bengal Presidency*, p. 24.

<sup>2</sup>Milburn, op. cit., II, p. 232.

<sup>3</sup>Heber, *Narrative of a Journey Through the Upper Provinces of India*, I, p. 185.

<sup>4</sup>Twining, op. cit., p. 82.

<sup>5</sup>Aspinall, *Cornwallis in Bengal*, p. 181.

England was henceforth eager not for manufactures from India as in the past, but for raw materials to satisfy her growing capitalistic need. This reduced India to the position of an exclusively agricultural country against her traditional economy, the most striking feature of which, as I have already noted, was a balanced combination of agricultural and industrial activities. Henry St. George Tucker, who was associated for several years with land settlements in northern India and became subsequently after his retirement a member of the Court of Directors, observed significantly in 1823: 'What is the commercial policy which we have adopted in this country with relation to India? The silk manufacture and its piece-goods made of silk and cotton intermixed have long since been excluded altogether from our markets; and of late, partly in consequence of the operation of a duty of 67 per cent but chiefly from the effect of superior machinery, the cotton fabrics, which hitherto constituted the staple of India, have not only been displaced in this country, but we actually export our cotton manufactures to supply a part of the consumption of our Asiatic possessions. India is thus reduced from the state of a manufacturing to that of an agricultural country.'<sup>1</sup> Dubois, a French missionary in India, observed in the early years of the 19th century: 'Europe no longer depends on India for anything having learnt to beat the Hindus on their own ground, even in their most characteristic industries and manufactures, for which from time immemorial we were dependent on them. In fact, the roles have been reversed, and this revolution threatens to ruin India completely'<sup>2</sup> Referring to western India, Forbes remarked, 'Such was the magnificence of former ages: all is now reversed and it appears as if the courage, magnanimity and generosity which adorned the character of the Hindoo and Muhammadan princes, had vanished with their fortunes.' 'Cotton piece-goods,' wrote the Governor-General in 1832, 'for so many ages the staple manufacture of India seem thus for ever lost. . . . The sympathy of the Court is deeply excited by the Report of the Board of Trade exhibiting the gloomy picture of the effects of a commercial revolution, productive of so much present suffering to numerous classes in India, and hardly paralleled in the history of commerce.'<sup>3</sup> With

<sup>1</sup>*Memorials of the Indian Government*, p. 494.

<sup>2</sup>Dubois, *Hindu Manners, Customs and Ceremonies*, pp. 94-95.

<sup>3</sup>The Governor-General's Minute, dated the 30th May, 1832, quoted in *General Appendix to Report from Select Committee on the Affairs of the East India Company* (1832), p. 275.

considerable experience of Indian affairs Montgomery Martin spoke in an evidence before an Enquiry Committee of the British Parliament in 1840. 'India is as much a manufacturing country as an agricultural and he who would seek to reduce her to the position of an agricultural country seeks to lower her in the scale of civilization.'

Thus ensued a veritable 'economic revolution' in India, the tragic effects of which are writ large on the pages of modern Indian history. Not only did the numerous centres of cotton manufacture lose their old importance, but what is more striking is that large number of people, such as weavers, spinners, cotton-beaters and needle-workers, so long engaged in cotton manufactures, were forced to resort to other means of livelihood. Most of the people displaced from manufactures flocked to the land,<sup>1</sup> the pressure on which continued to grow. Further, capital so long invested in industries began to be invested in land and this led to the rise of a new landed aristocracy in place of a mercantile aristocracy of the mid-eighteenth century.<sup>2</sup>

It is true, as a modern writer has pointed, that the 'economic transition' in India was 'evolving out of the complex interplay of changing economic and political forces.'<sup>3</sup> But the factors enumerated cannot be excluded from these forces. The same writer observes; 'The manufacturers, therefore, preferred import of raw cotton from India to the import of fine yarn which competed with the British spinning industry—and were afraid of the large imports of fine Indian piece-goods.'<sup>4</sup>

<sup>1</sup>N K Sinha, *Economic History of Bengal*, I, pp 156-57

<sup>2</sup>N.C Sinha, *Studies in Indo-British Economy Hundred Years Ago*, pp 35-36

<sup>3</sup>Amal Tripathi, *Trade and Finance in the Bengal Presidency*, Preface p vii.

<sup>4</sup>*ibid*, p. 24.

## Economic Drain

India's economy could not naturally remain stable and ceased to be conducive to the happiness of her people, when a vast amount of her wealth flowed out of the country with 'no equivalent returns.'<sup>1</sup> Huge drain on India's resources from the post-Plassey years, described by some as the *Plassey Plunder*, was indeed a highly regrettable feature in her economic history and inevitably caused her impoverishment. Writers like Montgomery Martin,<sup>2</sup> Brooks Adams<sup>3</sup> and Digby<sup>4</sup> refer, in rather general terms, to what they considered as the immensely large quantity of 'Indian Plunder.' The amount of drain during the period under review cannot be possibly determined with exactness and accuracy for lack of full and definite statistical information for each year though attempts have sometimes been made to make an average calculation for a particular period on the basis of certain figures. According to Verelst,<sup>5</sup> during the five years following the grant of the *Diwani*, goods and bullion of the total value of 4,941,611 million sterling went out of the country. Dow who wrote about 1770 'that with a peculiar want of foresight, they (the English East India Company) began to drain the reservoir, without turning it into a stream to prevent it from being exhausted,'

<sup>1</sup>Steuart, *The Principles of Money Applied to the Present State of the Commerce of Bengal* (1772), pp 57-62.

<sup>2</sup>*History of the Indian Empire*, I, p. 311.

<sup>3</sup>*The Law of Civilisation and Decay*, p 249

<sup>4</sup>*Prosperous British India*, p. 31.

<sup>5</sup>*View etc. of Bengal*, p. 81. Supplies of bullion to the other Settlements

of the English	..	1,284,008
Goods, stores, bills, etc to those Settlements	.	620,337
Charges on the European ships of the English	..	3,037,266
		<hr/> 4,941,611

observes that Bengal lost yearly to Europe on account of this drain 1,477,500 pounds sterling.<sup>1</sup> A modern writer thinks that during the period 1757 to 1780 the amount of drain on Bengal's resources was something like 38 million pounds sterling in the important items only and to the exclusion of some others.<sup>2</sup>

Writing in 1838 Montgomery Martin<sup>3</sup> referred to the desolating effects of an increasing exhaustion of the capital of Bengal due to economic drain out of the province during the preceding half century amounting to three or four million pounds a year. James Grant mentioned in his *Analysis of the Finances of Bengal* that the drain of wealth from Bengal in 1786 (excluding the amount of not less than twenty lacks sent annually to the other Presidencies of India) was as follows:

Prime cost of piecegoods exported by the	
English East India Company	Rs 10,000,000
Yearly supply for China Trade	Rs 2,000,000
Other European Companies and	
mercantile adventurers	Rs 6,000,000
	<u>Rs. 18,000 000</u>

Mr Holden Furber,<sup>4</sup> who thinks that in order to ascertain the exact amount of drain from India 'we should need what we can never possess, full and accurate statistics of exports and imports for the entire subcontinent,' has, however, after consulting the invoices and bills of exchange in English, French, Dutch and Danish languages and considering the problem 'on a basis of India as a whole' for the decade 1783 to 1792, held that 'the drain toward the West should not be reckoned as exceeding £ 1,800,000 annually during the period 1783-1793.'<sup>5</sup>

There were several forms of this economic drain, and Bengal was chiefly affected by it, as the incomes of Madras and Bombay were less than their needs. Whether there was a heavy drain on Bengal in the direct export of bullion from there to England has been a point of controversy among writers. Old writers like Ghulam Husam,

<sup>1</sup>Alexandar Dow *Hindustan*, I, CXIII.

<sup>2</sup>J C Sinha, *Economic Annals of Bengal*, pp 51-52

<sup>3</sup>*Eastern India*, I, p. xii and III, pp xx1-xxiii.

<sup>4</sup>*John Company at Work*, pp. 304-5.

<sup>5</sup>*ibid*, p 310

author of *Siyar-ul-Mutakherin*,<sup>1</sup> and Montgomery Martin have written about the annual export of bullion or coin from Bengal to England, and there are references to it in a few statements of British officers like Warren Hastings and Shore.<sup>2</sup> Two modern writers,<sup>3</sup> however, do not believe in the vast export of bullion from Bengal to England. Mr. Holden Furber writes that 'direct exports of bullion to Europe were so trifling as to be negligible.'<sup>4</sup> This much seems to be certain that export of silver direct to Europe was not of large quantity, though at times some quantity of it may have been carried there. On the 13th September, 1768, the Council in Calcutta wrote to the Court of Directors that it was entirely out of their power to comply with their 'discretionary orders for sending five hundred thousand Pounds in specie to Europe by the ships of this season.'<sup>5</sup> Though Bengal was being economically exhausted 'the Court of Directors and the Nation in general,' as the Council in Calcutta pointed out in 1768, 'have been induced to expect prodigious remittances in specie.'<sup>6</sup>

Richard Barwell wrote in a letter to John Hawkesworth, dated the 15th December, 1773: 'My sister having mentioned to me the disappointment she has experienced by the non-payment of the bills I sent to my attorneys in order to relieve her, I have directed to be put on board one of the ships to be dispatched by the month of February a lac of Arcot rupees in bullion, but (in view of) a publication lately issued by Government subjecting all exports of bullion from this country to Europe to a commission of five per cent payable to the Company in England, I am to request, if it may be done, that you will get this heavy charge remitted to me on the plea of the peculiar disappointment and distress that necessitated me to send specie.'<sup>7</sup> He observed in another letter, dated 3rd February, 1774, and addressed to Lord Oliver, who was in charge of a trading concern at Mirzapur: 'A remittance in bills I would prefer to bullion, if the exchange is reasonable and term of payment 20 days sight.'<sup>8</sup>

<sup>1</sup>III (English translation), p. 32.

<sup>2</sup>J. C. Sinha, op. cit., p. 43, Firminger, *Fifth Report*, II, p. 33.

<sup>3</sup>J. C. Sinha, op. cit., pp. 42-44, Hamilton, *Trade Relations etc.*, pp. 132-48.

<sup>4</sup>*John Company at Work*, p. 310.

<sup>5</sup>Letter to Court, 13th September, 1768, para. 44.

<sup>6</sup>Letter to Court, 25th September, 1768, para. 11.

<sup>7</sup>*Bengal: Past and Present*, XI, p. 278.

<sup>8</sup>ibid, p. 281.

The remittance of private fortunes, obtained by the Company's servants in India and other Europeans through various means, was a highly objectionable form of drain. The Court of Directors wrote to the Council in Calcutta on the 20th June, 1810: 'Ever since the revolution in Bengal in 1756, and particularly since the grant in 1765, of the Dewannee, which conferred upon the Company territorial revenue, as well as additional political power, and upon their servants, all the lucrative advantages flowing, in various ways, from the administration of the affairs of a great country, there has been, as is well known, a constant drain from India of the wealth, public and private acquired there by Europeans.'

It has been definitely admitted that in the period from 1757 to 1766 individual Englishmen received from the princes and people of Bengal 50 millions of current rupees (1.C R =25).<sup>1</sup> There may have been more than this amount. It is not possible to determine the amount of what has not been acknowledged. The practice of receiving illegal presents and perquisites continued after 1766, though the Court of Directors passed an order in 1765 for the execution of fresh covenants by their servants against it. General Carnac received a present of two lacs odd thousands of rupees from Delhi Emperors.<sup>2</sup> The charge against Warren Hastings about amassing a huge fortune through gifts or presents was not absolutely unfounded. Barwell, who had, as we know from his own letter to his sister, dated 28th June, 1777, 'extensive money engagements . . . in this country,'<sup>3</sup> made a fortune of about 80 lacs.

Strangely enough, Barwell accused others of amassing wealth. He wrote to Anslem Beaumont on the 19th September, 1768: 'The marble slabs still remain at Mootajil (*Motijhil*) and at Patna. What can I do? I cannot sell them, and as for the gentlemen who should assist you they are so taken with accumulating wealth to themselves, that they are deaf to the calls of friendship and what is worse, with the most extensive power to be generous, they seem to have forgotten the world in themselves.'<sup>4</sup>

The Company's servants<sup>5</sup> also gained enormous wealth through

<sup>1</sup>N.K. Sinha, *Economic History of Bengal*, I, p. 210.

<sup>2</sup>*Bengal Past and Present*, X, p. 10

<sup>3</sup>*ibid*, XVII, p. 242.

<sup>4</sup>*ibid*, X.

<sup>5</sup>N.K. Sinha *op cit.*, p. 211. Letters of Barwell are full of references regarding the various modes of remittance of private fortunes. Dr. N K Sinha has quoted several extracts from his letters which illustrate these



their private inland trade. Mr. Sykes purchased of Lord Clive 'his concern in the salt trade at 25,000 sterling in lieu of the profit that was to arise to his Lordship by that trade'<sup>1</sup> Mr. Sykes managed to amass twelve to thirteen lacs of rupees in two years as Resident of the *Durbar* at Murshidabad. Barwell wrote to his father<sup>2</sup> on the 28th February, 1768: 'His Excellency Mahomed Reza Khan has in private manner intimated to the Governor that from 12 to 13 lacks of rupees in *Salamees* and farms have been reaped by Mr. Sykes or his banian Cantoo . . . The exclusive right he (Sykes) has to the trade in saltpetre, wood and silk is besides a fixed and certain advantage. The saltpetre gives him Rs. 50,000 and for which he does not advance one rupee, the wood in the same manner; but the silk he does advance on The two former he deals in through the influence of the Government, the last through his own influence as Chief of the Cossimbazar Factory. The whole of these three articles may be computed at 2,50,000 rupees certain yearly income, so that with his trade I make no doubt of his having cleared in these two last years 12 lacks of rupees each year ' Though Sykes was more fortunate than others in these two years, every one of the Covenanted servants of the English Company, whose number was mentioned in a letter to the Court of Directors, dated the 25th November, 1780, as 252,<sup>3</sup> had the inordinate lust for acquisition of wealth through means which were not quite fair.

Some persons from Britain, known as Free Merchants, also made fortune through their private trade in India. They were permitted by the Court of Directors 'to use and exercise trade and commerce in the way of a merchant in India.' How they drained wealth out of this country is clearly referred to in the following statement of a contemporary, John Bebb (Resident at Dacca in 1789). 'From a country subject as this is to a far distant nation there is a continual unavoidable drain to its prejudice. This drain is increased by these men. None of them ever make or propose an establishment in Bengal. Their fortunes, as soon as they acquire any, are removed to Europe and in so much increased the drain to this country. Whatever they gain is gained from its bowels. No assistance, no relief do they yield in return, did the Bengal or Armenian merchant acquire the large property the foremost

<sup>1</sup>ibid.

<sup>2</sup>Letter no XI; *Bengal. Past and Present*, X, pp 29-30.

<sup>3</sup>N.K. Sinha, op. cit., p. 211.

subscriber is said to have acquired he or his sons would increase the establishment and the wealth would circulate in the country to its benefit.<sup>1</sup>

There were different means by which the Company's servants remitted their private fortunes to England. One of these was sending of diamonds to Europe, which practice the Free Merchants also followed. The Company permitted this with the idea that export of diamonds could not produce any disorder in currency, as diamonds 'did not form any part of the circulating medium of the country.'<sup>2</sup> But 'a necessary consequence of this was that presents which might otherwise have been made in coins were made in jewels'<sup>3</sup> Further, Bengal money was utilised for the purchase of diamonds from Oudh, Golconda and some other places. We read in a letter of Barwell of 1769: 'The diamond trade here is confined and as the gentlemen in station engross the whole for the remittance of their own fortunes, no purchases but to a very trifling amount can be made by any of the merchants'<sup>4</sup> One of the charges against Clive in 1772 was monopoly of diamonds. In refuting it Clive observed. 'At that period there were only two ways by which a servant of the Company could, with propriety, remit his fortune to England; by bills on the Company or by diamonds. . . These diamonds were not sent home clandestinely I caused them to be registered, I paid the duties upon them; and these remittances, upon the whole, turned out 3 p c worse than bills of exchange upon the Company.'<sup>5</sup> The mode of remittance through diamonds continued for many years more. In 1786 one Mr Lyon Prager was permitted 'to proceed to Benares and reside there for the purpose of trading in pearl, diamonds and other precious stones in order to afford to individuals means of remitting their property to Europe'<sup>6</sup>

Another mode of remittance of private fortunes by the Company's servants was through Bills of Exchange on the English Company or on any of the other European Companies. Preference was given to the latter for some years after the *Diwani* grant of

<sup>1</sup>Quoted from *Proceedings of the Board of Trade*, 3rd December, 1788 N K Sinha, op cit, p. 215.

<sup>2</sup>ibid, p 216

<sup>3</sup>ibid

<sup>4</sup>*Bengal Past and Present*, X, p 238.

<sup>5</sup>Malcolm, *The Life of Robert Lord Clive*, III, pp 280-81.

<sup>6</sup>Quoted in J.C. Sinha, op cit, pp 45-46.

1765, as the Court of Directors were not in favour of granting such Bills on the English Company. Richard Barwell wrote to his father on the 9th December, 1767: 'The amount of the sums which have been remitted to Europe through the channel of the Dutch and French Companies, from the time of your refusing bills in 1765 to this time, you must not estimate at less than one million two hundred thousands, £ 1,200,000. The sum, though very great, yet I really believe short of what has been paid into the cash of the Dutch and French Companies. The present terms on which the French grant bills is  $2/2$  per rupee and a sight of 365 days, and for the last nine months or 275 days an interest at the rate of 4 per cent per annum is allowed. Even at this rate of exchange bills are only granted for half the amount you pay into their cash; the other half remains there twelve months at an interest of 6 per cent, and at the expiration of that term bills at 365 days and exchange at  $2/2$  is to be granted. Such are the advantages your rivals enjoy in conducting their trade . . . .'<sup>1</sup> On the 25th September, 1768, Verelst, the English Company's Governor in Bengal, wrote to the Court of Directors that 'the extent of the Dutch and French credit exceeds all conception and their Bills are even solicited as favours.' Referring to the French he asserted that he had 'the most certain information that their Treasuries at Pondicherry and Chander-nagore, are amply furnished with provision for both their investments and expences, for three years to come . . . .'<sup>2</sup>

Considering that this kind of remittance led to the transfer of wealth into the hands of the Foreign Companies, the Council in Calcutta pleaded for replacing it by the method of remittance through Bills of Exchange on the English Company. They wrote to the Court of Directors on the 31st January, 1766: 'We must also recommend that you devise some method of enabling your servants and the inhabitants of the settlement, to remit their own fortune and the effects of deceased persons in their hands by some other channel than that of bills upon France and Holland.' They observed in another letter to the Court, dated the 25th September, 1769: 'your absolute prohibition against receiving Money into your Treasury for Bills of Exchange on England, has been one of the principal causes of the scarcity of Silver . . . had your Treasury been open at the usual Rate of Exchange, No British subject would have

<sup>1</sup>*Bengal. Past and Present*, X, Part I, pp. 16-17.

<sup>2</sup>*Fort William-India House Correspondence*, V, p. 470.

embarked his property upon the precarious chance of a Foreign Remittance. . . ' The Court of Directors by that time permitted Bills to be drawn on them. The amount of such Bills was restricted from 1771, though it continued later on.

The most serious drain on Bengal's capital, for which the English East India Company as such was fully responsible, was caused by the practice of purchasing their investments from Bengal out of the surplus territorial revenues of this province after 1765. The *Diwani* grant made the English East India Company, as the Council in Calcutta truly felt, 'the Supreme Rulers of a Rich and fertile kingdom,<sup>1</sup> where they were reaping 'golden harvests'<sup>2</sup> Their masters at home greedily pressed for more and more wealth from this *El Dorado* without realizing that an increasing flow of national capital out of this country without return in any shape was causing its financial bankruptcy. The Court of Directors wrote in their letter to the Council in Calcutta dated the 20th November, 1767 ' . . . in providing the large Investment consigned to us by the several ships arrived this Year, you have exerted yourselves greatly to our satisfaction, and we shall depend upon a continuance of the same care and attention that the Company through this channel may have the benefit of receiving, as large a proportion of the Bengal revenue as circumstances will possibly admit of . . . '<sup>3</sup> The Council in Calcutta pointed out to the Court on the 25th September, 1769. "since you have acquired such valuable territorial possessions, your trade from hence may be considered more as the Channel for conveying your Revenues to Britain, than as only a Mercantile system."<sup>4</sup> This increased export of the Company with the surplus revenue of Bengal did not in any way benefit the local manufacturers, whose lot had become extremely hard, very much due to the oppressions of the Company's servants.

The frequent supply of financial assistance to the English Company's settlements at Bombay and Madras, not only for their ordinary civil purposes. for investment and China trade, but also for the successful prosecution of their wars in Peninsular India, caused a tremendous strain on Bengal's resources,<sup>5</sup> which continued

<sup>1</sup>Letter to Court, 25th September, 1769, para 37

<sup>2</sup>ibid

<sup>3</sup>Para 34.

<sup>4</sup>Letter to Court, 25th September, 1769, para 37.

<sup>5</sup>K K Datta, The First Two Anglo-Mysore Wars and Economic Drain on Bengal, *Journal of Indian History*, 1941.

uninterruptedly under Clive, Verelst, Warren Hastings and his successors.

The Select Committee in Bengal wrote in its letter to the Court of Directors, dated the 3rd February, 1768, that 'sixteen lacks have been already forwarded to that Presidency (Madras), and the remaining eight lacks will follow in a few days.' In his letters to the Court of Directors, dated the 21st September, 1768 and the 5th April, 1769, Verelst referred to 'large sums' from Bengal to Madras and other Presidencies. We read in the *Report of the Committee of Secrecy*, 1773, that such remittances in bullion, bills, goods and stores, between May 1761 and April 1771, amounted to £ 2,358,298. *The Ninth Report of the Select Committee*, 1783, writes: 'Bengal sends a regular Supply in time of Peace to those Presidencies which are unequal to their own Establishment. To Bombay, the Remittance in Money, Bills, or Goods, for none of which there is a Return, amounts to One hundred and Sixty thousand Pounds a year at a medium.'

This was done in conformity with the orders of the Court of Directors, repeatedly insisting on the principle of mutual co-operation among the Presidencies since the outbreak of Anglo-French conflicts in India. The Company's Government in Bengal also realized the importance of mutual help, especially in times of wars with the various powers. Thus the Select Committee in Calcutta observed in its letter to the Court of Directors, dated the 26th September, 1767: 'Although we are fully of opinion the Honourable Company's interest demands our outmost attention to avoid difference with the country powers, yet the present circumstances of your affairs are such as absolutely to require that your influence should be maintained with vigour, and all encroachments repelled with spirit. The harmony subsisting among the Presidencies and the ready and mutual assistance they afford upon all occasions of necessity, will not fail to impress the minds of the natives with just sentiments of our policy and strength. For this reason chiefly we are resolved to enter cheerfully into the measures adopted on the coast, that our enemies may see our dependence is not alone on the forces maintained at either of the Presidencies, but on the armies kept up in the different parts of India which, though separated at a great distance, can so easily and expeditiously be united. Neither are we without hopes, that the unusual spectacle of black troops, pouring into his country from Bengal may stagger

the Subah's (the Nizam's) courage, and induce him to grant those conditions before, which he cannot expect after the sword is once unsheathed.'

Thus on the outbreak of Anglo-Mysore hostilities in 1767 and the formation of a confederacy among Haider Ali, the Nizam and the Marathas, the Government in Calcutta, on the requisition of the Presidency at Fort St. George, sent there three battalions of sepoys, 'to enable them, by a vigorous effort, to reduce the Subah to terms of accommodation, or to establish such a system of policy in the Deccan, as circumstances may render necessary.'<sup>1</sup> They also promised to reinforce Madras with a 'complete brigade' if the situation there required a further supply.<sup>2</sup> Early in October, 1767, three sloops of the Company carried to Madras two hundred Europeans 'for the security of the Presidency.'<sup>3</sup> Again, in the course of a few months a detachment under Colonel Joseph Peach went from Bengal to Masulipatam.<sup>4</sup>

The despatch of these troops must have caused considerable expenditure to the Bengal Government. They had further to send money to Madras to help that Presidency in the prosecution of war. Thus the Select Committee in Bengal informed the Court of Directors on the 16th December, 1767: '...at their request we furnished the Presidency of Fort St. George with three lacks, and will in a few days send them a further supply of five lacks. The scarcity of silver, which already prevails, obliges us to make this remittance in gold, notwithstanding we are sensible that a very considerable loss will arise, upon account of the high value of gold mohurs.'<sup>5</sup> The Commander of the ship Egmont, carrying the detachment under Colonel Peach to Masulipatam, was instructed to proceed to Madras 'with gold to the amount of five lacks of rupees'<sup>6</sup> 'The demands made on us from the Presidency of Madras, for the support of war, amounts,' wrote the Select Committee in another letter to the Court of Directors, dated the 24th March, 1768, 'to 20 lacks of rupees. We have determined to supply them with 12 lacks from your treasury, and have desired them to appro-

<sup>1</sup>Letter to Court, 26th September, 1767.

<sup>2</sup>ibid

<sup>3</sup>ibid, 6th October, 1767

<sup>4</sup>ibid, 5th January and 3rd February, 1768

<sup>5</sup>ibid, 16th December, 1767.

<sup>6</sup>ibid, 5th January, 1768.

priate three lacks for that use from the sums we have remitted thither, for the service of your China investment. They will, by such means, be furnished with an immediate supply of 15 lacks of rupees, to enable them to prosecute the war against Hyder Ali; and we have promised them a further sum of five lacks, early in September, should they require it.'

The Secret Department at Fort St George still laboured 'under great inconveniences from the want of money to enable them to pursue their operations with that vigour' which they deemed 'essentially necessary for the reduction of Hyder Ali.'<sup>1</sup> So the Calcutta Government shipped (November, 1768) on board the Admiral Watson and the Plassey Schooner 'to the amount of eight lacks of rupees for that Presidency.'<sup>2</sup> They believed that further demands would be made on them from the same quarter and intimated to the Court of Directors 'the impossibility of the Council's sending any silver this season for the use of the China investment.'<sup>3</sup> As a matter of fact, early in the next year six lacks of rupees (of the late gold currency) were sent from Calcutta to the gentlemen at Madras on board the Dutton 'to answer their urgent occasions.'<sup>4</sup>

But in spite of Bengal assistance in the shape of men, money and other war materials, the repeated successes of Haidar Ali reduced the affairs of the Company on the Coast 'to the lowest ebb of distress,'<sup>5</sup> and the Madras Presidency, 'sensible of the many dangers' surrounding them, sent a 'most pathetic account of their situation' to Calcutta.<sup>6</sup> They soon received an additional sum of two lacks of rupees, sent on board the Experiment, a country vessel. The Calcutta Government calculated that the 'safe arrival of their several late remittances' will enable the English at Madras to fight against Haidar Ali till the month of September, 1769, and assured them that in future they 'may depend on being supplied with an annual sum of twenty six lacks of rupees to commence from the month of October next, so long as it is to tend to the actual support of the war they are at present engaged in,'<sup>7</sup> provided they themselves were

<sup>1</sup>ibid, 21st November, 1768.

<sup>2</sup>ibid.

<sup>3</sup>ibid.

<sup>4</sup>ibid, 6th January, 1769.

<sup>5</sup>ibid, 6th April, 1769.

<sup>6</sup>ibid.

<sup>7</sup>ibid.

not 'compelled to enter into warlike operations in defence of these provinces' They 'candidly offered' their opinion to augment their supplies to thirty lacks of rupees, if the necessities at Madras increased, even by putting a stop to their investments.

These remittances from Bengal, besides causing scarcity of silver in that province and even adversely affecting the condition of the English Company's exchequer there, undoubtedly added to the general distress of the 'sinking country' (Bengal)<sup>1</sup> The Select Committee in Calcutta entertained well-grounded apprehensions regarding their evil consequences. It wrote to the Court of Directors on the 24th March, 1768: 'The great demands which have been made on this Presidency for supplies of money from every quarter, have reduced your treasury to a very low state, and alarm us for the consequences, which must inevitably attend such a vast exportation from this country. We are apprehensive that the very great scarcity of silver must affect your investment for the ensuing season, as it is with the utmost difficulty we now procure sufficient for the immediate necessary advances for that purpose' In expectation of further demands being made upon them by the Secret Department at Fort St. George and in view of other necessary expenses, the Select Committee declared in its letter, dated the 21st November, 1768, 'the impossibility of the Council's sending any silver this season for the use of the China investment.'

It was soon reported to the Secret Department at Fort St George by Mr. Brome, envoy of the Bombay Government at the Court of Poona, that the Peshwa Madhava Rao would march into the Carnatic to the assistance of Haidar Ali. This could not but render the situation more critical for the English. The Select Committee in Bengal, on getting this information from Madras, wrote to the Court of Directors on the 6th January, 1769, that the apprehended alliance between Haidar and the Peshwa 'would not only render the event of the war dubious, but would likewise deprive the Company of the revenues they now collect from the Carnatic, and oblige us (to drain this exhausted country of still greater supplies of treasure).' While sincerely assuring the Madras Government of further help the Select Committee in Calcutta 'could not but inform them of the very distressed state to which this country (Bengal) must inevitably be reduced, by such considerable exportation of its specie.'<sup>2</sup> The

<sup>1</sup>ibid, 21st November, 1768.

<sup>2</sup>ibid, 6th April, 1769



Bengal Government indeed considered it to be their duty to render the best possible assistance to Madras, when the vital interests of the English were at stake in course of the deadly conflict with Haidar Ali. 'To give them (Madras Government) every possible assistance from hence,' informed the Select Committee in Calcutta to the Court of Directors on the 6th April, 1769, 'we have deemed it indispensably a duty we owe to you, our honourable employers; for being servants of the same masters, and being engaged in one general cause, we have regarded the welfare of your settlement of Fort St. George equally with our own.' But in a rather disgusted attitude, it is also observed therein: 'Little did we imagine, after the very large supplies which have been sent them (Madras Government) this season for the support of the war, that their necessities would so increase as to compel us to curtail the investment, which the Council have given you the greatest reason to expect from this Presidency in the ensuing year. But such is the only means which can be devised for enabling us to grant them any effectual assistance.'

No further pecuniary assistance for the prosecution of the war was required immediately, as Haidar Ali and the English had already concluded a peace on the 4th April, 1769. But what had been already drained from Bengal for the southern wars adversely affected the financial condition of that province. 'The great riches expected from Bengal,' wrote Richard Barwell in a letter, dated the 25th December, 1769, 'has been sunk in the Coast war and the revenue so far anticipated to support the war that both time and address are necessary to extricate us from the difficulties with which we have to struggle.'<sup>1</sup>

When again the English in India were in a critical juncture in the years 1780-81, due to the exploits of Haider Ali, and Eyre Coote was sent to the south as the Commander-in-Chief of the Company in India 'to stand forth and vindicate in his own person the rights and honour of the British arms,' he wrote to the Supreme Council in Calcutta on the 10th November, 1780: 'It may not be amiss to give you early information, as a guide for making the necessary provision for the future disbursements at this settlement (Madras), which, by the nearest computation I can make, will rather exceed seven lacs of rupees per mensem (every cowrie of which must come from Bengal), as I find there are no resources here from whence a

<sup>1</sup>*Bengal. Past and Present*, X, p. 246.

single *pagoda* is to be expected'<sup>1</sup> The Council in Calcutta observed significantly in its letter to the Select Committee at Madras, dated the 11th March, 1782 'We therefore dread the continuance of the war in its consequences upon the strength and resources of these provinces (Bengal and Bihar), which must be considered as the essential part of the British dominions. interest and property in India. The dominion of Bengal from its wealth, internal strength and local advantages might be capable of defence against all the powers of the world, combined to attack it, if these advantages were confined to its own security, but in the past and actual application of your we feel them gradually declining from the incessant drain which is unavoidably made upon them for the defence of the Company's remote and less valuable possessions, and we have been imperceptibly led into the prosecution of a system so ruinous in its consequences, that if it should be extended beyond a certain length, it will exhaust the vital powers of the country, and expose it a certain prey to the first invader.' The Bengal Government, however, promised 'preservering to support' the Madras Presidency with all their resources'<sup>2</sup> Their supplies to Madras from 1st May, 1781, to 3rd October, 1782, amounted to current rupees 1,23,17,684-9-1 and previously they had sent there current rupees 35,55,072-13-4, the total being current rupees 1,58,72 757-6-5.<sup>3</sup> Thus Bengal's resources were exhausted to finance not only the English Company's investments but also their wars of imperialism in India for several years more.

If the direct export of bullion from Bengal to England was not of considerable quantity, the Company's China investment denuded Bengal of it from 1757 onwards 'While fully financing this China trade Bengal did not receive any gain in return and so it was a drain to England via China.' This resulted in exhausting this country's bullion with disastrous economic consequences for it 'The gravity of the evil, during the post-Diwani period, was pointed out, more than once, by the Government of Verelst The Select Committee in Calcutta observed in its letter to the Court of Directors, 'dated 26th September, 1767' 'We have frequently expressed to you our apprehensions lest the annual exportation of treasure to China should produce a scarcity of money in the country. This subject

<sup>1</sup>Fort William Consultations, 14th December, 1780

<sup>2</sup>Fort William Consultations, 3rd October, 1782.

<sup>3</sup>ibid.

becomes every day more serious, as we already feel, in a very sensible manner, the effects of the considerable drain made from the silver currency.'

The total annual drain of specie from Bengal on account of the Company's China investment and their remittances to the other settlements in India then amounted, according to the estimate of the Select Committee in Calcutta, to twenty-five lacs.<sup>1</sup> But with their strong determination to improve their trade with China the Court of Directors did not agree with the Select Committee on this point. 'The enlargement of the Trade to China to its utmost extent, is an object,' they wrote to the Select Committee on the 11th November, 1768,<sup>2</sup> 'we have greatly at heart, not only from the Advantages in prospect, by gaining a superiority and thereby discouraging foreign Europeans from resorting to that Market; but also from National Concern, wherein the Revenue is very materially interested. . . ' So they insisted that the Select Committee must supply at least twenty-four lacs of rupees for China trade in the year 1770. The 'fatal policy of exporting treasure from Bengal was invariably pursued,'<sup>3</sup> by the Company to the great prejudice of the economic interests of the province. One pernicious effect was that it caused scarcity of silver in Bengal, which in its turn was very much responsible for the currency muddle in the province in those days.

<sup>1</sup>Letter to Court, 26th September, 1767

<sup>2</sup>Paras 28-33.

<sup>3</sup>Verelst, *View etc. of Bengal*, p. 87.

## Currency and Banking

Chaotic currency was a great anomaly in the economic life of India in those days, very much responsible for the prevailing distress in the country. The complications in currency were caused principally by two factors, viz. (1) lack of a uniform currency and multiplicity of coins, and (2) scarcity of silver

Various species of coins were in circulation. In Bengal no less than twenty seven varieties (*Sicca*, *Sonaut*, *Arcot*,<sup>1</sup> *Dasmasa*, *Narayan*, *Ely*, etc) of rupees were current, though *sicca* was the standard legal tender *Cowries* formed the lowest medium of exchange for ordinary transactions of the people in Bengal and some other parts in India.<sup>2</sup> 'According to the trade usage of each different market they (the coins) were liable to different rates of discount, and in order to make exchanges possible the values of actual rupees of every kind were expressible in terms of an ideal rupee known as the current or normal rupee'<sup>3</sup> Thus in Bengal at the beginning of the eighteenth century, 100 *sicca* rupees were equivalent to 112½ current rupees, subsequently 100 Murshidabad *sicca* coins, just after they were struck, were equal to 116 current rupees in value But after three years of circulation their value came down to 111 current rupees and these were then called *sonaut* rupees<sup>4</sup> Verelst writes 'At the expiration of three years, when these *sicca* rupees, then called *sunats*, pass at 111/116 parts of the original denomination, they are carried to the mint chiefly by the shroffs, who receive them back recoined, and consequently raised in value

<sup>1</sup>Arcot coin was originally struck by the Nawab of the Carnatic Subsequently the English, the French and the Dutch got the privilege of coining it N.K. Sinha, *Economic History of Bengal*, I, p 119

<sup>2</sup>K K. Datta *The Dutch in Bengal and Bihar*, Appendix N

<sup>3</sup>Wilson, *Early Annals of the English in Bengal*, II, Part I, lxxx

<sup>4</sup>Verelst, *View etc of Bengal*, pp. 94-95

to 116, the first and highest denomination, deducting the expense and duties of coinage, amounting to something more than 2 per cent. By this operation, the shroffs gain nearly  $3/116$  parts upon the value of the coin every third year; an advantage confined wholly to the *sicca* rupee. A triennial recoinage is the consequence of this regulation, and such has been its effect, that while other coins are debased, the *sicca* rupee seldom loses anything of its original purity; for the *shroffs*, who assay metals by the touch, gain the  $3/116$  parts upon *the pure silver*.<sup>1</sup> This prevented debasement of the *sicca* coins, but the other varieties of coins, which poured into Bengal when it had a favourable balance of trade, were very often debased either by some mints or by some interested persons. The *shroffs* or money-changers availed themselves of the opportunity, caused by this debasement, to charge *batta* at arbitrary rates for the exchange of such coins, and the rate of *batta* varied according to the period of circulation of coins. 'The profit thus made, being repeated at every payment,' was 'a heavy charge on the circulating silver.'<sup>2</sup>

At Madras, where the English Company had a mint of their own, variations in the value of the rupee in the early years of the century did not cause them so much inconvenience as in Bengal. There  $89\frac{1}{2}$  ounces of dollar silver could be converted into a little 'more than 218 rupees, allowing two per cent for the cost of coining'<sup>3</sup> and so long as the Mughal Court was in the south these passed without any difficulty in southern India and also in Bengal. But on the transfer of the Mughal Court to the north after the death of Aurangzeb (1707), the Bengal Government no longer required Madras rupees for the remittance of imperial revenues and their value in Bengal consequently went down, high rate of *batta* being charged on them for their currency<sup>4</sup> The Company could not then get the same number of Bengal coins for its bullion as before. In June, 1752, they sold bullion to Jagat Seth at 201 *sicca* rupees for 240 *sicca* weight and had to give to their merchants 106 Madras rupees for 100 *siccas* 'which was the lowest *batta* they could take them at'<sup>5</sup> Early in 1753 *siccas* were not available at less than  $111\frac{1}{2}$

<sup>1</sup>Verelst, *View etc. of Bengal*, pp. 94-95.

<sup>2</sup>*ibid.*

<sup>3</sup>Wilson, *Early Annals, etc.*, II, Part I, 1111.

<sup>4</sup>Letter to Court, 2nd January, 1752, para 36.

<sup>5</sup>Letter to Court, 18th September, 1752, para 69.

Arcot rupees and 109½ Madras rupees for a hundred<sup>1</sup> Next year the Cassimbazar factory complained of 'searcity of *siccas*.'<sup>2</sup> In March, 1755, the Council in Calcutta observed that there was no demand for bullion<sup>3</sup> and so they wrote to the Council at Fort St. George to send them all their 'consignments of treasure in rupees the ensuing season, one sixth of which to be Madras rupees and the remainder in Arcot, which species is at present in the greatest demand over the whole eountry'

To avoid the difficulties in exchanging bullion, the English Company tried to obtain permission of the Mughal Emperors, Aurangzeb and Shah Alam I, to have a mint near their settlement of Fort William pleading that the mints at Rajmahal, Dacca, and Satgaon were far off from it.<sup>4</sup> The Mughal Government then did not accede to this request. The English could not also avail themselves of Emperor Farrukhsiyar's permission for free use of the Nawab's mint at Murshidabad for three days in a week to coin their bullion in the face of strong opposition from Murshid Quli Jafar Khan.<sup>5</sup> In 1751 Alivardi Khan issued an order 'to send all money whether bullion or rupees to the mint at Muxadavad (Murshidabad) to be coined there into *siccas* or disposed of to Jagat Seth and forbidding the Europeans to pay away any money to their merchants but in new *siccas*.' Apprehending that this order would be prejudicial to their interests, the English, French and Dutch Companies asked their respective Chiefs at Cassimbazar to act 'in concert' in that matter and to send a representation to the Nawab's Government to allow the usual currency to bullion and different types of coins. Their joint action produced the desired effect.

The English continued their efforts to obtain permission of the Nawab's Government for establishing a mint in Calcutta, and ultimately got it from Sirajuddaulah after their recovery of Calcutta in 1757. Article 5 of the Treaty concluded between them and Sirajuddaulah on the 9th February, 1757, provided that '*siccas* be coined at Allenagur (Calcutta) in the same manner as at Moorsheda-

<sup>1</sup>Letter to Court, 1st January, 1753, para 8

<sup>2</sup>Letter to Court, 4th January, 1754, para 68

<sup>3</sup>Letter to Court, 1st March, 1755, para 5.

<sup>4</sup>Wilson, *Early Annals etc*, II, Part II, p 263 and pp 276-77 There was a mint at Patna

<sup>5</sup>*ibid*, p. 222, *Letter from the Council in Calcutta to the Court of Directors*, 31st January, 1722, para 77, N K Sinha, *Economic History of Bengal*, p 120

bad, and that the money struck in Calcutta be of equal weight and fineness with that of Moorshedabad. There shall be no demand made for deduction of *Batta*' After being installed as the Nawab of Bengal, Mir Jafar issued a *parawanah* to the following effect: 'A mint has been established in Calcutta, continue coining gold and silver into *siccas* and *mohurs*, of the same weight and standard with those of Moorshedabad; the impression to be Calcutta; they shall pass current in the Provinces of Bengal, Behar and Orissa, and be received into the Cadjana (*Khajana*=treasury).'<sup>1</sup> Again in Article 9 of the treaty concluded by Mir Jafar with the English Company on the 10th July, 1763, after his restoration to the *masnad* of Bengal, he promised as follows: 'I will cause the Rupees coined in Calcutta to pass in every respect equal to the *siccas* of Moorshedabad, without any deduction of *batta*, and whosoever shall demand *batta* shall be punished.'<sup>2</sup> But still the Calcutta coins continued to be depreciated in value

If the circulation of varieties of coins and exaction of *batta* by the shroffs were great evils, the shortage of silver deeply aggravated the currency problem as a whole. While silver was being drained out of the country from 1757 to meet the cost of the English Company's China investment and their wars in other parts of India, and the export of Bengal manufactures by the several European Company had increased, all of them practically stopped importing silver bullion to Bengal from that time so that the usual annual import of bullion of about £ 780,000 was lost to Bengal since then.<sup>3</sup> Between 1708 and 1756 the English Company had sent to Bengal bullion worth £ 2,283,843. But between 1757 and 1797 there was hardly any import of gold or silver to Bengal from England. The Court of Directors wrote to the Council in Calcutta on the 20th June, 1810. 'For a number of years after the revolution (of 1756-57) this (economic) drain was excessive; and in the same period too, the importation of specie from Europe, which had subsisted in all former times of the connection between this quarter of the globe and India, ceased; the different European Companies, who, excepting the commanders and officers of the ships, and a few French individuals, after the fall of the French Company, were the only exporters

<sup>1</sup>Aitchison, *Collection of Treaties, Engagements and Sunnuds*, I, p. 14.

<sup>2</sup>ibid, p. 52; *Vansittart's Narrative*, III, p. 361

<sup>3</sup>Verelst, *View etc of Bengal*, p. 86, footnote.

to Europe, procured specie in the country for that part of their homeward investment which their imports of goods did not purchase; the English Company, by means of its territorial revenue; the other Companies, by drawing bills on Europe.'

There were several reasons for not importing bullion. Large sums of money received by the Englishmen in consequence of the political revolutions in Bengal between 1757 and 1764 and considerable surplus of territorial revenues, especially after the grant of the *Diwani*, placed them in a position of advantage making it no longer necessary for them to bring bullion from home for their purchases here. The other European Companies did also stop importing bullion for their export trade, because they got sufficient wealth for this purpose by selling Bills of Exchange to the servants of the English East India Company anxious to remit their private fortunes to Europe.<sup>1</sup> The import of bullion through Bengal's trade with Persian Gulf and the Red Sea had also been reduced after 1757 from £ 250,000 to £ 50,000 a year, as the trade with those areas had been declining.<sup>2</sup>

The Court of Directors were not fully in agreement with the views of their servants to Bengal about the scarcity of silver.<sup>3</sup> As it has been already noted, the Council in Calcutta, however, repeatedly drew the attention of the Court of Directors to the harmful effects of export of silver out of Bengal and consequent scarcity of this metal. This produced no effect.<sup>4</sup> The Council, however, pointed out to the Court of Directors in their letter to them, dated the 25th September, 1769 'From experience it is incontestably evident, that whatever may be the disbursements of the Company, the foreign Nations or private Traders, yet so long as silver is exported from Bengal and we receive no adequate supplies by importation, we must expect that the want of currency will become still more and more universal'

Not to speak of the indigenous traders and manufacturers, even

<sup>1</sup> Letters from the Council in Calcutta to the Court of Directors, 24th March, 1768, para 9, 28th March, 1768, para 35, 13th September, 1768, para 41, 2nd February, 1769, para 156; 5th April, 1769, para 7, 25th September, 1769, paras 32-38

<sup>2</sup> Letter from the Council in Calcutta to the Court of Directors, 26th September, 1767, paras 25-26.

<sup>3</sup> Letter from Court, 11th November, 1768, paras 60-61

<sup>4</sup> Verelst, *View etc of Bengal*, p. 87.



the English East India Company had to experience inconveniences due to currency disorders. In the treaty concluded (1765) by the Council in Calcutta with Nawab Najm-uddaulah of Bengal, the latter promised. 'I will cause the Rupees coined in Calcutta to pass in every respect equal to the *siccas* of Moorshidabad, without any deduction of *batta*, and whosoever shall demand *batta* shall be punished. The annual loss on coinage by the fall of *batta* on the issuing of the new *siccas*, is a very heavy grievance to the country; and after mature consideration, I will, in concert with the Governor and Council, pursue whatever may appear the best method for remedying it.'

The Government of the Company in Calcutta in the post-Diwani period tried some measures to remove the currency abuses, which, however, proved to be abortive. The first experiment was that of Lord Clive, who, in view of the scarcity of silver, introduced a bimetallic standard by passing the following Regulations on 2nd June, 1766

1. 'That the gold *mohurs* shall be struck bearing the same impression with the present Murshidabad *sicca*, and that this *mohur* shall also be issued in the subdivisions of halves, quarters and eights.

2. That the new coin shall be of the *fineness* of twenty carats, or it shall contain one-sixth part of an alloy . . .

3. That the gold *mohur* shall be increased from fifteen annas, the present actual weight, to sixteen annas . . .

4. That the par of exchange between the gold *mohurs* and the silver *Sicca* rupee shall for the present be estimated at the rate of fourteen to one, reckoning upon the intrinsic value of either

5. That the silver *Sicca* rupee shall not be less than the standard of 11 oz. 15 dwt. or 13 dwt. better than the English standard

6. That all payments, whether of a public or a private nature, shall be made at the established *batta*, and every attempt to create an artificial *batta* or exchange shall be rigorously punished.

7. That a tender of payment, either public or private, shall in future be equally valid in gold and silver . . .<sup>1</sup>

New gold coins were issued by which the value of gold in terms of silver went up by 8 per cent.<sup>2</sup> In introducing bimetallicism the

<sup>1</sup>ibid, Appendix, pp 240-41

<sup>2</sup>Letter from the Court of Directors to the Council in Calcutta, 11th Nov 1768, para, 57.

Calcutta Government expected that 'hidden hoards of gold would come into circulation in order to add to the Current Specie,'<sup>1</sup> and to induce the people to bring out gold for coinage the legal rate of the gold *mohurs* was made more than 17 per cent their market value in silver<sup>2</sup> But the remedy proved to be worse than the malady. Silver, instead of gold, began to be hoarded and exported, so that its circulation almost disappeared

Clive's ill-calculated currency reform made confusion worse confounded and affected internal trade and traffic more seriously than before Strongly condemning this experiment, the Court of Directors pointed out in their letter, dated 11th November, 1768: 'for admitting the fact, that there were hoards of Gold no Man would part with his Gold but for a consideration, and that consideration could be only Silver, therefore the effect was that there was so much Silver hoarded up instead of the Gold, not only the hoards were changed from Gold to Silver but all the Neighbouring Provinces would undoubtedly pour in their Gold for your Silver . . .'<sup>3</sup> In their letter, dated the 16th March, 1768, the Court of Directors had communicated to the Council in Calcutta the allegation made in the Court of Proprietors that 'great advantage was made by individuals on the sudden rise in the price of gold.' They even expressed the view in their letter dated 11th November, 1768 that 'those who took the lead in this extraordinary measure had secretly bought up Large Quantities of gold before the rise took place, which should it be proved will draw upon the authors of it our severest Resentment'<sup>4</sup>

Clive's successor Verelst (1767-1769) had to face a serious problem due to the currency abuses. As a matter of fact, the Council in Calcutta soon realised the un wisdom of the measure tried in 1766 They admitted in a letter to the Court of Directors, dated the 22nd February, 1768, that they found their 'views in establishing a Gold Currency greatly disappointed as with all our Influence it will not pass in any of the provinces'<sup>5</sup> They further wrote to the Court of Directors on the 13th September, 1768: 'The consequences of this Currency were greatly complained of It was pointed out as

<sup>1</sup>*ibid*

<sup>2</sup>J C Sinha, *op cit*, p. 57

<sup>3</sup>Para 57.

<sup>4</sup>*ibid*.

<sup>5</sup>Para 57

the immediate source of a general evil. The Interruption Trade had met with, the inconvenience under which the Merchant had laboured from the great scarcity of silver and high price it bore. The many and pressing complaints which were made of the grievances accruing both in Trade in General and to Domestic expenses in particular were all Effects attributed to this cause'<sup>1</sup> In consideration of all this, the Council in Calcutta, supported by the opinion of the Mint Master, then 'came to the Resolution of calling in all the Gold *Mohurs* of the New Currency and abolishing the Establishment and of giving Interest Notes payable at the Expiration of twelve months for all sums above and of the value of 1000 Rupees paid into the Treasury within the space of fifteen days after the publication of this Resolution'<sup>2</sup>

But scarcity of specie was still acute and the merchants as well as the people in general continued to be in troubles. The principal European merchants of Calcutta submitted a petition<sup>3</sup> to Verelst 'to remedy this evil.' They noted that 'at present the distress is so great, that every merchant in Calcutta is in danger of becoming bankrupt, or running a risk of ruin by attachments on his goods which would not sell for half their value, it being impossible to raise a large sum at any premium on bond.' They suggested coining '*Mohurs*, half *Mohurs* and quarter *Mohurs* equal in value and standard to those commonly called Delhi, forbidding, by (their) authority, any Shroff, under pain of severe fine and imprisonment, to exact more than one per cent or exchanging them into silver, for the purposes of merchants trading out of Calcutta . . .' Taking a wider view of the matter the Armenian merchants of Calcutta also put a petition,<sup>4</sup> pointing out therein the advisability of 'an immediate coinage of *Mohurs*, with all their divisions and subdivisions to one Anna, sixteen *Siccas* value of pure gold, to be lawfully tendered in payment universally all over these British dominions, and admitted at the treasury of both capitals which might be an adequate means to ward off the impending ruin,' since, in their opinion, 'any coin whatever is better than no coin at all.' The Mayor's Court in Calcutta drew the attention of the President and Council

<sup>1</sup>Paras 80-83.

<sup>2</sup>*ibid*, para 84.

<sup>3</sup>Verelst, *View etc. of Bengal*, Appendix, p 242.

<sup>4</sup>*ibid*, p 243.

to the 'melancholy consequences' of the 'very great decrease of specie'

Having consulted the principal merchants, *banians*, and the Ministers of the *Nizamat*, the Council in Calcutta decided in March, 1769, to recommend to the *Nizamat* another plan of bimetallism. This plan had the following features. 'The *Mohur* to be of the ancient Delhy standard, to weigh seventeen annas *Sicca* weight, and to be issued and received in all public and private disbursements and receipts whatever, at 16 *Sicca* rupees each *Mohur*.' 'To supply the place of silver in smaller disbursements and receipts,' the *Mohur* 'was to be sub-divided into halves, quarters, eighths, and sixteenths'<sup>1</sup> It was also resolved that 'for the prevention of frauds and abuses, persons should be appointed to superintend on the part of the Company (as *Divans* of the *Subah*, and therefore principally concerned in the currency of the coin in these provinces, having the collections of their revenues) the assays of all gold in the mints of Murshidabad, Patna and Dacca, with the Government's assaymaster, and no coinage be issued from either mint but what has been thus jointly assayed. That no duties, either on behalf of the Government, Company, Governor, or mint-master, be received, nor any charge, farther than a percentage, equivalent to the actual expense of coinage.'<sup>2</sup>

On the 17th June, 1769, while considering the question of currency, the Council in Calcutta decided to have for the new currency 'the standard of Muhammad Shah, approaching nearest to the proportioned value of gold and silver'<sup>3</sup> The different features of the plan of March, 1769, were to take effect immediately. The other factors which induced the Council in Calcutta to accept the Muhammad Shahi standard were, as they noted, that it was 'better adapted for the purpose of exchange, and a general currency in commerce,' its popularity in the province and 'the universal satisfaction with which it has always been received' and their information that the *Mohurs* of this standard recently struck in the mints of Patna and Dacca 'met with a ready circulation'<sup>4</sup> In this new gold coinage the legal ratio was fixed 'more nearly equal to the

<sup>1</sup>Verelst, *View etc of Bengal*, Appendix p 243

<sup>2</sup>*ibid*.

<sup>3</sup>*ibid*, p. 244

<sup>4</sup>*Consultations*, 17th June, 1769.

market ratio between the two metals than was the case in 1766.<sup>1</sup> But, in fact, here also gold *Mohurs* were overvalued by 5.71 per cent. So the 1769 experiment at bimetallism proved unsuccessful.

It should be noted that the views of the Court of Directors on the question of currency reform were different from those of the Council in Calcutta, of Alexander Campbell, the Mint-Master in Calcutta, and of Muhammad Reza Khan, the Naib Nazim at Murshidabad. The Court of Directors held that all the varieties of coins, circulating in Bengal, should be brought to the standard of the *Sicca* coin by 'a general recoinage' and by the stoppage of discount on *Sicca*. Muhammad Reza Khan made certain proposals, which were considered by the Council in Calcutta on the 24th December, 1767. He pleaded for uniformity in weight and fineness of the *Siccas* of the four mints in Bengal, assaying of the different species of *Arcot Rupees* current in Bengal for their comparison with others, fixation of the rate of exchange on these coins, and declaration of one of these as the only current coin of the province. The Council in Calcutta considered the first proposal to be a sound one and agreed 'to recommend to the (Nawab's) Government the putting this into execution on the issuing of the *Sicca* rupees for next year.'

But the Court of Directors strongly objected to the opinions of both Mr. Campbell and Muhammad Reza Khan in their letter to the Council in Calcutta, dated the 11th November, 1768<sup>2</sup>. 'Mahmud Reza Cawn's letter on the subject betrays the Akwarkness (*sic*) of a Man who is maintaining an Argument against the conviction of his own Mind, for instead of coming fairly to the question: Whether the distinction between *Siccas* and *Sonnants* shall be abolished? Evades that and proposes only to order the *siccus* of the several Mints to be of the same standard; and tells you, if you abolish *Batta*, the people who subsist by it, will take to Clipping and Adulterating the Coin.

Mr. Campbell indeed says that abolishing the yearly fall will be either impracticable or productive of a contrary Effect and gives for reason that the *Shroffs* will purchase up the new *Siccas* and so create an Artificial Scarcity. Words that convey no clear idea.—For with what are *Siccas* to be purchased when the difference between

<sup>1</sup>J.C. Sinha, op. cit., p. 62.

<sup>2</sup>Paras 64-68.

*Sonnauts* and *Siccas* is abolished? What have they then to bring to Market in Exchange for *Siccas*? Mr. Campbell also countenances the Minister's opinions that the *Shroffs* will take to false Coining and Adulterating the Coins, but surely those who are neither restrained by fear nor Principle will be guilty of that now as much as they may then —The next Argument is that the Company will lose Rs 100000 per annum, they now gain by Recoinage, besides the Expense of the Mint, an Argument of no weight in the consideration of an object so important to the Ease of the Land-holder and consequently to the Revenues, by relieving them from the heavy Tax they now pay to the *Shroffs* under the various Articles of *Batta*

Mr Campbell first makes a recoinage necessary, and then tells you Recoinage is impracticable, but we do not see how general Recoinage is any way connected with the question, which is, merely whether a *Sicca* of one, two or three years coinage shall or shall not bear the same value and whether you shall abolish the present distinction, calculated for no Purpose in the World but to enrich a few Bankers at the Expense of the rest of the Subjects.' The Court of Directors informed the Council in Calcutta that 'the abolition of the *Batta* on *Sonnauts* must therefore be carried into Execution' 'We see in so strong a light,' observed the Court of Directors in their letter to the Council in Calcutta, dated the 11th May, 1769, 'the dangerous consequences of making any alteration in the standard of the coin of the country that we do most positively direct that you do not (without our previous and express orders) under any pretence whatsoever presume to make any alteration in the original and established standard for weight and fineness of the Gold *Mohurs* and Silver Rupees which may from time to time be coined in our Mint at Calcutta, and whoever shall be guilty of a breach of this order will incur an immediate dismissal from our Service.'<sup>1</sup>

But, as we have noted before, the Council in Calcutta had already introduced a new gold currency in 1769, the effects of which were far from satisfactory. The Court of Directors repeated their orders on the 10th April, 1771, for removing the *batta* on *Sonnauts*, that is, the distinction between *Siccas* and *Sonnauts*. So the Council in Calcutta issued the following notice<sup>2</sup> on the 26th August, 1771:

<sup>1</sup>Para 19

<sup>2</sup>Vide Appendix H.

'This is to give notice to all merchants and others residing under the Hon'ble Company's protection at this settlement that they have ordered *Sicca* rupees of the twelfth year of his present Majesty Shah Allam's reign to be struck in the Hon'ble Company's mint and pass current at sixteen per cent *batta* on the twelfth day of September next ensuing, and they likewise give public notice that this coinage of the twelfth *sun siccas* shall not cause the eleven *sun siccas* to fall in their value, but that the eleven *sun siccas* shall pass on the same footing as they have heretofore done, that is to say at the *batta* of sixteen per cent: and whenever new *siccas* of any future year shall be issued, the *siccas* of the former years as far back as the eleven *sun* shall not fall in their value or be reduced to the state of *sonauts*, but they shall be considered and pass in payment at the same value as the *siccas* of the current year.'

This Regulation, intended to 'stabilise the *sicca* and to convert the entire currency system gradually to that standard,'<sup>1</sup> could have been a successful measure if steps had been taken for recoinage of clipped or worn out *sonauts*. Apprehending loss of Revenue, the Court of Directors disapproved of it<sup>2</sup>

The efforts of the Company's officers to give effect to the terms of this notice were in most cases baffled by the ingenious practices on the part of the shroffs. The Chief and Council at Patna appear to have taken *Mutchulkas* (bonds) from *Chaudhuris* or village headmen to the effect that they would bring to the notice of the former cases of violation of this order. But it was still evaded, and cases are on record in which persons guilty of disobeying it were punished. We read as follows in the Proceedings of the Patna Council, dated the 14th November, 1774:

'Notwithstanding the measures taken. . . for preventing a *Batta* between 11 and 12 *Sun Siccas* we were informed that the practice was still continued, upon enquiry found that the *Batta* upon small sums amounted to upwards of four per cent.

Suddoo, the *Chaudhury* who before gave a *Mutchulka*, that he would immediately discover any one who demanded a *Batta* on 11 *Sun* or refused to receive them equal to these of the 12th year and Mirkun Lal who is detected in exacting a *Batta* of 7 Annas 6 Pies on 10 Rupees which is equal to 4 Rs. 11 Annas per cent, are both

<sup>1</sup>J.C. Sinha, op. cit., p. 120.

<sup>2</sup>ibid, p. 121.

publicly punished, as we find no other method than that of punishing them who are found guilty, will put a stop to their demands'

But even this stringent measure failed to remove exaction of *Batta* on 11th and 12th *Sim Siccas*.<sup>1</sup> In fact, scarcity of *Siccas* continued. The Patna Council had already written to the Governor-General and Council.<sup>2</sup> 'The uncommon scarcity of *Sicca* rupees in Bihar Province at this present time is the effect of the late remittance made from hence to the Presidency, and the engagement the Farmers were under to pay their rents in that coin, has induced the *shroffs* to buy up all that remained in the Country, with a view of disposing of them to the Renters at an extraordinary *Batta* from a Presumption that they would not be permitted to offer any other. The same motive influenced the *shroffs* has actuated private merchants and the acquisition of lack of *Sicca* Rupees was a certain profit of 4 or 5 per cent levied apparently on the Farmers, but Virtually on the *ryots* who were ever called upon to supply the deficiency. As we could not avoid seeing the dangerous tendency of permitting the continuance of a Practice so oppressive to the Inhabitants, we thought it expedient at the same time to apply a remedy to the grievance, and for that purpose issued an order that *Sumauts* should be received in payment of the Government rents at a *Batta* of 5 p.c. to make them equal to *Siccas*, which resolution we flattered ourselves would immediately lower the price of the latter and bring them again into circulation. That it has not been productive of the effect we hoped for we ascribe to nothing but the prevalence of real scarcity . . .'

The reform of the currency system had already engaged the serious attention of Warren Hastings since he had come to Bengal as the Company's Governor in April, 1772, with the orders of his masters to put an end to the various evils of the Dual Government (1765-1772) 'We now arm you with full powers,' wrote the Company, 'to make a complete reformation' Besides the general administrative reforms, Hastings sought to eradicate some of the glaring abuses in the economic sphere including chaos in currency, caused by shortage of silver, exacting expedients of the *shroffs* in realising *Batta* and debasement of coinage

Debasement of gold coins can be well illustrated by an example with regard to the gold *Mohms* of the Patna Mint. In August, 1772,

<sup>1</sup>Proceedings of the Patna Council, 16th October, 1775

<sup>2</sup>Proceedings of the Patna Council, 4th September, 1775.



Samuel Touchit, Assay Master of the Calcutta Mint, detected lack of due fineness in the 11th *Sun* and 12th *Sun* gold *Mohurs* of the Patna Mint, though these had the standard weight of 720 *beringas*.<sup>1</sup> On chemical tests it was noticed by him that there was deficiency of pure gold in the *Mohur* of the Patna Mint. The one *Mohur*, so tested, had only 22 carats and 2 grains of fine gold though the fixed standard required that it should contain 23 carats and 33 grains of pure gold. Herbert Harris, Mint Master of the Calcutta Mint, brought this matter to the notice of the Government at Fort William and wrote to them in his letter, dated the 10th August, 1772: 'It is almost unnecessary to mention to you gentlemen the very destructive consequences that may attend the debasement of the gold coin when it is so well known that the proportion observed between the *Sicca* Rupee and Gold *Mohur* tends evidently to the importation of gold in preference to silver how much more so must it, when the coin is adulterated.'

The Fort William authorities at once asked the Chief and Council at Patna to conduct an enquiry into the matter and to inflict severe punishments on the guilty persons. So on the 7th September the Patna Council summoned before them the Assay Master of the Patna Mint and the Mint *Daroga*, Jagarnath. Both of them stated that towards the close of the *fasli* year 1178 some merchants brought a quantity of gold to the Patna Mint for coining it into gold *Mohurs*. At this the Deputy of Radha Kishan, the officer in charge of that Mint, asked the Mint *Darogah* to go to Raja Shitab Rai, *Naib Nazim* of Bihar, with it along with a coin of the Murshidabad Mint to get his orders for coinage. The Mint *Daroga* was accompanied by the Assay Master, who pleaded before Shitab Rai that the *Mohurs* of the Murshidabad Mint were less pure than those of the Patna Mint. But the *Naib Nazim* ordered that the Murshidabad standard was to be followed.

It appears from a report submitted by the Assay Master during the enquiry that Government orders fixing the rates of gold and alloy in gold *Mohurs* were not obeyed. The 12th *Sun* Patna gold

*Mohurs* contained  $\frac{30}{384}$ th parts of alloy instead of  $\frac{1}{384}$ th parts,

<sup>1</sup>Further details about the Mint and Currency in Bihar at this time have been noted by Shri J.S. Jha in an article published in the *Proceedings of the Indian History Congress*, 1959.

which was the fixed standard.<sup>1</sup>

Raja Shitab Rai being held responsible for debasement in this particular case, none on the staff of the Patna Mint was punished. The Council at Patna however passed an order that 'no *Mohurs* shall be coined here in future'

The Government at Fort William had already asked (February, 1772) the Council at Patna to 'issue strict orders for maintaining the standard and purity of coinage' In October, 1772, the former decided to make payment to the army in *Siccas* instead of in *Sonauts*, as had been the practice so long To facilitate this change they sent the following conversion table to the Chief and Council at Patna.<sup>2</sup>

<i>Sanauts</i>	<i>Siccas</i>			
<i>Rupees</i>	<i>Rupees</i>	<i>Annas</i>	<i>Gandas</i>	<i>Cowries</i>
1 .	..	15	6	$\frac{83}{100}$
2 .	1	14	12	$\frac{1.66}{100}$
3 .	2	13	18	$\frac{2.40}{100}$
4 .	3	13	4	$\frac{3.31}{100}$

<sup>1</sup>Details about the weight and standard of the gold *Mohurs* of the 10th and 12th *Suns* of the Patna Mint were thus mentioned by the Assay Master in his Report

#### 10th Sun Gold Mohurs of the Patna Mint

	<i>Masa</i>	<i>Ratti</i>	<i>Baringa</i>	<i>Total Baringas</i>	
Weight	11	2		720	= 384 parts
Pure Gold	11	.	4	708	= 377.3/5
Alloy		1	4	12	= 6 2/5

#### 12th Sun Gold Mohurs of the Patna Mint

	<i>Masa</i>	<i>Ratti</i>	<i>Baringa</i>	<i>Total Baringas</i>	
Weight	11	2		720	= 384 parts
Pure Gold	10	3		664	= 354 6/45
Alloy	.	7	.	56	= 29 39/45

<sup>2</sup>It might be that such tables were sent to other places also

<i>Sanauts</i>	<i>Siccas</i>			
<i>Rupees</i>	<i>Rupees</i>	<i>Annas</i>	<i>Gandas</i>	<i>Cowries</i>
5	4	12	11	$\frac{14}{100}$
6 .	5	11	17	....
7 ..	6	11	3	$\frac{1.71}{100}$
8 ..	7	10	9	$\frac{2.62}{100}$
9 ..	8	9	15	$\frac{3.45}{100}$
10 ..	9	9	2	$\frac{28}{100}$
50 .	47	13	10	$\frac{1.55}{100}$
100 ..	95	11	..	$\frac{3\ 15}{100}$

With a view to maintaining a uniform standard in weight and fineness for *Siccas*, Hastings decided to retain only the Calcutta Mint and to abolish the other Mints in Bengal. The Patna Mint was closed in November, 1773, and the Dacca Mint was also closed probably at the same time. The Mint at Murshidabad was closed in April, 1777.<sup>1</sup> The Government at Fort William sent the following order to the Council at Patna on the 8th November, 1773: As we are of opinion that the expense of keeping up a Mint at your place is an unnecessary charge to the Company and of little utility to the public (sic) since establishing the perpetual currency of the *Sicca* rupees, We direct that you immediately abolish the Mint at Patna and dismiss all the servants belonging to it.'

In compliance with this order the Council at Patna immediately closed the Mint there. But they represented on the 18th November,

<sup>1</sup>J.C. Sinha, op. cit., p. 123 footnote.

1773, that the Mint was not 'attended with any expense' and that its abolition 'would cause inconvenience to the inhabitants' Their apprehension was that if they were not permitted 'to coin annas and pice, the latter would become very dear and enhance to the poor the price of all kinds of provisions as exchange of *cowries* is not so common (in Bihar) as in Bengal.'

Abolition of the mofussil Mints aggravated hardships of the people. Reports about scarcity of silver coins and arbitrary exaction of *batta* at exorbitant rate poured in from different parts of the province. At Patna the renters submitted a petition in 1775 against the high rate of *batta*, which, according to them was then 7 per cent on *Sonauts*, and praying for permission to make payments in *Sonauts*. The Council at Patna could not comply with this request, but as a measure of temporary relief ordered the Treasury 'to exchange in the *Bazar* one lack of *Sicca* rupees' On Banaras rupees, which were accepted in the Treasury, *batta* had gone up from 3 per cent in 1770 to 13 per cent in 1775. In this state of affairs the Council at Patna wrote to the Government at Fort William on the 27th March, 1775 'But more effectually to answer the above purpose and to diffuse the benefit more generally through the Province, we would recommend the re-establishment of the Mint. The good attending it, we imagine, would be the establishing of one coin by bringing in of the many spurious rupees at present in circulation, whereby the inhabitants are subjected to whatever imposition of *Batta* the shroffs chuse (sic) to fix for their own emoluments and the increase of the currency by the coining of silver ornaments, all money melted down for the manufacturing of the plate etc. being at present so much lost to the circulation, the proprietors however desirous of recoinage, not having it in their power from the distance of a Mint We do not perceive any ill consequences necessarily resulting from the coinage, care should be taken that the standard weight and fineness be observed and that the Mint might not be burthensome to the Government, the expenses should be defrayed by those who send Bullion to be coined which the merchants would very readily comply with'

On the 4th May, 1775, the Governor-General and Council sought the opinion of the Board of Trade and the different Provincial Councils on the following points<sup>1</sup>: (1) Whether it is most expedient

<sup>1</sup>Proceedings of the Council at Patna, 15th May, 1775.

to re-establish the Mints of Patna and Dacca or to allow only one Mint to be established in Calcutta for the coinage of the two Provinces.' (2) 'Whether supposing the ancient Mints to be re-established all the rupees shall be struck as hitherto has been the practice with the name of Moorshedabad only or the rupees of each Mint shall bear the name of the place to which it belongs.' 'We have already represented to you in a letter dated the 27th March,' wrote the Council at Patna in reply on the 18th May, 1775, 'the expediency of re-establishing a Mint at this place and we apprehend the same reasons will hold good with respect to Dacca, you will therefore permit us to repeat. We are still clearly of opinion that the advantage of the Company, the convenience of the inhabitants, and the good of the Country in General all combine to render such a measure absolutely necessary. The difficulty the renters labour under in procuring *Sicca* or good *Sanaut* rupees to make their payments in and the losses and inconveniences that result thereupon. We have before taken notice of and the impracticability of sending Bullion and rupees of a different specie to Calcutta to be recoined is too obvious to need mentioning. The abolition of the mint has had such an effect on the price of both Gold and silver *Butta* at this place that it is now 4 or 5 per cent cheaper than was ever known before. They will consequently be unable to procure Rupees of standard value and must of necessity offer such money as comes to their hands and as it will be impossible to affix any precise *Batta* for the various species of rupees in the Currency of the province continual opportunities will occur to the *Shroffs* for imposing upon us as well as upon the ignorance of the Natives, and diffidence and distrust universally take place. It is alleged that the *Siccas* coined in Calcutta must eventually circulate throughout the Provinces. We will admit the position but at the same time we must observe that the inhabitants of different districts have an aversion to any coins that do not bear the Stamp of their own Capital and this is evinced by the *Batta* which is taken on Rupees of Calcutta and Moorshedabad though superior to those of Patna in weight and fineness Besides it is scarce possible to coin the rupees in the different Mints so alike as not to be discovered by the *Shroffs*. As you have therefore granted us the liberty of offering our opinion on this measure, we humbly beg leave to recommend the re-establishment of the Mints of Patna and Dacca in preference to that of a single one at Calcutta and that the rupees coined at each place

shall be of one value in respect to weight and fineness and bear the name of the place where they are stamped without being liable to any two deductions in point of *Batta* in succeeding years which it may seem but reasonable when the money shall have been worn down, so as to have lost greatly of its original weight or have suffered by clipping or arts practised in this Country in the same manner, as in Europe may be obviated by its being called in and undergoing a re-coinage when the loss attending it will not be considered and must principally affect the monied men<sup>1</sup>

But there was no unanimity in the opinions of the different bodies to whom the two points noted above had been referred. The Board of Trade and the Provincial Council at Murshidabad presented only a summary of the arguments for and against these two points without expressing any opinion of their own. The Councils at Dacca and Patna were for re-establishment of the mints. With regard to the second point the Council at Dacca was in favour of inserting the name of the mint at which the coin was struck, but the Dinajpur Council supported one inscription and name of one mint on the coins of the various mints. The President of the Calcutta Committee of Revenue advocated re-opening of the mint at Patna but not at Dacca. He was for the proposal that the rupees of the different mints should have names of the respective places where they were struck. The opinions of the Council at Burdwan were similar to those of the Council at Patna<sup>1</sup>

Already on the 3rd March, 1775, the Court of Directors had recommended that the '*Sonaut* rupees shall be received into the Treasury at a fixed *Batta* of 111 current rupees, *Aicots* at 108 and that *Siccas* shall not be received at a higher *Batta* than *Sonauts*, unless there shall be a difference in their intrinsic value'. But reduction in the value of the *Siccas* from 116 to 111 current rupees was criticised by Francis in his Minute of 30th October, 1775, on the following grounds

- (i) It would be a breach of faith on the part of the Government by which the present possessions of *Siccas* would lose 5/116 of their property.
- (ii) A proportionate loss would fall on the Company which had a great quantity of *Siccas* in their Treasury at the time.

<sup>1</sup>J C Sinha, op cit , pp 132-33

- (iii) In the receipt of Revenue, the Company would also lose 5/116 on the entire collection.
- (iv) The general balance of trade with all other settlements was against Bengal. The reduction in the value of *Siccas* would be an inducement for liquidating this balance in *Siccas* rather than in Bengal manufactures.<sup>1</sup> About currency reform Francis thought of establishing 'one equitable rupee for the province which (could) only be effected by a general recoinage.'<sup>2</sup>

In view of such differences of opinion among the various authorities, the question of currency reform was referred by Hastings to the Provincial Councils, and a Circular letter containing the following queries was issued by him to each of them on the 14th August, 1776:

'In order to assist us in forming and establishing some General Regulations, for the coinage of the Country, we think it necessary to require your answers to the following questions and to desire that you will at the same time inform us generally of the state of the Currency in the District under your charge

*Questions, viz*

1st. What Coins pass current in the different parts of your Division and the proportionate quantity of each as nearly as you may be able to estimate?

2nd. The *Batta* paid on each specie of Rupees in the *Bazars* to reduce them to *Siccas*, distinguishing the *Sudder* from the *Mofussil Batta* if there is any such distinction, so that we may ascertain at what Discount a farmer must purchase Rupees from the *Shroffs*, of the particular specie in which he is obliged to pay his rents to Government

3rd. What species are taken in payment of the public Revenue, whether from the *Ryots* by the Farmers, or from the Farmers by Government and at what rates of *Batta*?

4th. Whether in your opinion it would be more for the Advantage of Government and the ease of the people, if *Sicca* Rupees were universally established as the current Coin of the Country without any distinction of *Batta* or any Discount but for the real

<sup>1</sup>J.C. Sinha, op. cit., p 133

<sup>2</sup>ibid, p. 134

loss, which they might sustain from wear, clipping or other contingent causes'?

In their replies the Provincial Councils gave detailed accounts of the state of currency in their respective areas, which showed that the use of *Siccas* was increasing. But multiplicity of coins was still prevalent in the different districts. The Patna Council in their reply, dated the 30th September, 1776, stated that 'the coins current in Bihar are *Siccas* and *Sanauts* of the Patna Mint, for though the rupees of Moorshedabad and Benares as well as those called *Viziery* and *Agra* are known and not refused to be taken by the *Shroffs* in the city at their respective *Battas* yet they can hardly be denominated the current coin of the country both from their(?) and not being used in the purchase of grain, opium, cloth or other articles when bought at the first hand from the husbandman and manufactory. It must however be excepted against general Rule that in the Districts of Chainpore and Sasaram the Benares rupee is current equally with the *Sanaut*'. The Patna *Siccas* of the 11th and 12th *Ann* 'were taken indiscriminately' in payment of public revenue at the Treasury, and also *Sanauts*. Every farmer on getting his lease attached himself to a *Shroff*, who received his *Mufassil* collections as they came in, deducted a *Batta* for exchanging the defective coins and agreed to make payment to the Treasury in a particular amount of specie. He also lent to renter 'what sums' he might 'occasionally be in want of to complete any deficiency in his remittances from the *Mufassil*'. For the sums thus advanced by the *Shroff* he charged interest between three and one per cent a month. His charge for exchanging the rupees depended 'on the state of *Batta* in the Bazar' to which he added four annas per cent. He was also allowed  $\frac{1}{2}$  per cent *Pattyawun* or *Paat* money. The Patna Council advocated 'the general establishment of the *Sicca* rupee or only one coin'. They further observed that 'in order to effect the universal establishment of this new currency and shut the door against every inlet to a variety of coins and consequences we think it may be necessary to prohibit the use of all foreign specie than as bullion to be melted down and weighed off before sale. The calling in of all the old coins and general introduction of the new will no doubt be attended with difficulties and require a length of time to be fully effected'.

In fact, all the Provincial Councils expressed their opinion for establishing *Sicca* rupees as the current coin for the whole province of Bengal. On the strength of this opinion, Hastings proposed some



Regulations for currency reforms, which were accepted, with certain amendments, by the Council on the 29th May, 1777.<sup>1</sup> These Regulations provided that 'only one mint shall be allowed for the coinage of money, for the use of the three provinces, which shall be that of Calcutta,<sup>2</sup> that 'only *Sicca* rupees of the present standard be struck into (sic) the mint,' and that 'all *Sicca* rupees of the future coinage shall pass for ever, without any deduction of *batta*, by weight and not by tale, in all receipts of revenue and in all receipts and issue of the Company's Treasury.' Further, recoinage of gold (after 31st May, 1777) was stopped but the gold *mohurs*, already coined, were to pass 'in circulation at the usual value of 16 *Sicca* rupees each, and be received and issued at the public treasuries at the same rate'<sup>3</sup>

In 1778 Hastings introduced the 'ingenious practice of putting the invariable date of the 19th *Sun* (19th year of Shah Alam's reign) on all *Sicca* rupees coined in future.'<sup>4</sup> But the object in view was defeated by the insertion of the correct *Hijra* date on such coins which gave clear indication of the year in which a particular coin was struck.

The attempt to secure a uniform currency for Bengal failed for certain reasons. The Government was not ready to meet the high cost of recoinage of all varieties of coins into *Sicca*, which was necessary for the sake of uniformity. It was also risky for the public to send specie for recoinage to Calcutta from distant corners of the province. So the evils due to multiplicity of coins continued. Hastings' plan (1781) of coining copper as a subsidiary currency for ordinary purchases also met with failure, because copper was overvalued. His proposal for paper currency did not materialise.

Varieties of coins were in circulation also in the upper provinces and there were two mints in this area,—one at Banaras and the other at Farrukhabad.<sup>5</sup> A mint was established at Banaras in 1734. 'The assay of the rupee was fixed at 22 *Chauwals*, but, by the connivance of the Superintendents of the mint, it was debased to 32 *Chauwals* at different periods before the last year of the reign of

<sup>1</sup>Colebrooke, *Digest of Bengal Regulations*, III, pp. 367-68.

<sup>2</sup>Hastings re-opened the Dacca Mint in 1782, probably as a temporary measure.

<sup>3</sup>J.C. Sinha, *op. cit.*, p. 137 footnote.

<sup>4</sup>*ibid*, p. 123.

<sup>5</sup>E Thurston, *History of the East India Company's Coinage in JASB*, 1893.

Muhamad Shah <sup>1</sup> During the reign of the Mughal Emperor Ahmad Shah the mint was in charge of Raja Bulwant Singh from 1748 to 1750 and it was under the charge of Aga Asad Beg, Qiladar of the Fort of Chunar, from 1750 to 1754. From the beginning of the reign of Alamgir II (1754) it came under the control of Nawab Wazir Shujauddaulah of Oudh. Debasement of coinage could not be still removed. At the suggestion of Lord Clive, Sujauddaulah thought of reforming the coinage in 1767. He placed the mint in charge of Mirza Hasan, 'who engaged to restore the rupees to their proper weight and standard.'<sup>2</sup> Very soon the mint was farmed to M. Gentil,<sup>3</sup> a French adventurer in the Court of Shujauddaulah, and the assay of 22 *Chauwals* was continued till 1774. In 1776 the Company transferred the mint to Chait Singh, who undertook to coin rupees of 9m 9r 6ch. weight and 18 *Chauwals* fine and 'to continue the 17th *San* (year of Shah Alam's reign),' to prevent confusion due to frequent changes in the value of money. 'All the rupees, therefore,' it is stated in the Records,<sup>4</sup> 'coined in the Benares mint since the 17th year of the present reign ought to be of the same weight and standard, and to pass current as *Sikkas* (*Siccas*) of the present year. The rupees current in the district of Banaras may, therefore, be classed as *Sanwat* and *Sikka*, the former coined under the Mughal Princes, and the latter since the 17th year of the reign of Shah Alam, when the mint was ceded to the Company by the Vizier and by them transferred to Chait Singh.'

Of the two major problems in currency, that is, making *Sicca* rupee the standard coin of Bengal and maintenance of a fixed ratio of exchange between the gold *mohur* and the *Sicca* rupees, Hastings could solve neither. This was very much responsible for growing chaos in the economic condition of the country, when Cornwallis became the Governor-General. In 1787, he appointed a Committee to enquire into the causes of silver scarcity. This was due, in the opinion of the Committee, to the various causes which have been analysed before.<sup>5</sup> The main recommendations of the Committee were as follows.

- 1 'To receive all the rupees that come into the hands of the

<sup>1</sup>History of the East India Company's Coinage in *JASB*, 1893.

<sup>2</sup>*ibid*

<sup>3</sup>Proceedings of the Indian Historical Records Commission, 1927.

<sup>4</sup>Quoted by Thurston in *JASB*, 1893, p. 56

<sup>5</sup>*vide ante*.

Government throughout the country, milling and subdividing them into halves and quarters, adding an *alloy* equal to the English standard for silver coin.'

2. 'To waive the duty upon coinage for individuals.'

3. 'To let the gold *mohurs* in like manner be milled and subdivided into halves, quarters and eighths, increasing the size of the subdivision beyond that now known without altering the present standard.'

4. 'To inflict punishment upon *shroffs* who shall be convicted of giving anything less than sixteen new milled rupees for a new milled gold *mohur*.'

5. 'To adjust the value of gold and silver coins to the natural values they bore to one another in India.'<sup>1</sup>

After considering the recommendations in December, 1787, Cornwallis' Government could not give immediate effect to these, though most of these were accepted by them later on.

As silver shortage had caused continued rise of *batta* on gold *mohurs* enhancing distress of the people, Cornwallis reduced in 1788 *batta* on gold *mohurs* in Calcutta and a public notice was issued by his Government, on the 13th August, 1788, to the effect 'that persons wanting money for advances at the *aurungs* within the districts of Bengal will be furnished after the present month. . . with bills payable in silver on the Collectors within whose jurisdiction the *aurungs* are situated, for such sums as are required, or such parts thereof as the state of the provincial treasuries will admit of their paying. Gold *mohurs* will be received for the payment of these bills.'<sup>2</sup> Coinage of gold *mohurs* was also stopped by Cornwallis in December, 1788, but it was resumed in 1790, as the Third Anglo-Mysore war was causing a drain on Bengal silver. Gold coins were issued in abundance and high rate of *batta* was charged on them.

As the repressive measures against the *shroffs* for enforcement of Government order proved to be of no avail, a notification, issued by Cornwallis in November, 1791, declared that 'in future the sale of gold and silver coins would be as free and unrestrained as that of gold and silver bullion,' the exchange rate between the *mohur* and the rupee being 'determined by the course of trade in the same way as the price of every other commodity.'<sup>3</sup> The *batta* on gold

<sup>1</sup>Quoted in J.C. Sinha, op. cit., p. 208.

<sup>2</sup>ibid, pp. 211-12.

<sup>3</sup>ibid, pp. 216-17.

*mohurs* could not be removed by this step

With the object of fixing a suitable ratio between gold *mohurs* and silver rupees, Cornwallis thought of establishing the *Sicca* rupee as the standard coin for the whole province, in place of the diverse types then in circulation. For re-coining of all varieties of rupees the Governor-General had decided in 1789-90 to re-open the mints at Patna, Dacca and Murshidabad. But coining of money at the Patna and Dacca mints ceased on the 31st December, 1796, and 31st January, 1797, respectively. The Murshidabad mint was closed before 1799.<sup>1</sup>

In May, 1792, Lord Cornwallis appointed a Mint Committee to make an enquiry into the state of coinage in Bengal, Bihar and Orissa. The chief instructions given to the Committee were

1 'To ascertain particularly into the cause of the little progress which had been made towards the establishment of the general currency of the *sikka* rupees.

2 To ascertain the causes of the *batta* or discount that had frequently been levied on the exchange of a gold *mohur* for silver.

3. To report whether it would be advisable to declare the gold *mohurs* and the multiples thereof, legal tender of payment in the three provinces in all transactions, public and private, at the value at which they were then received and paid at the general treasury and in all private transactions.

4 To enquire into the state of the copper coinage

5 To state their sentiments on the practicability and expediency of coining the gold *mohurs*, rupees and pice, or either of these coins, with machinery of similar construction to that in use in the mints in Europe'

On the 4th August, 1792, the Committee submitted the following thirteen propositions<sup>2</sup> 'calculated to draw the various species of old and light coins into the mints and to establish the general currency of the *Sicca* rupees':

1 'That after the 10th April, 1794, only the 19th *Sun Sicca* rupee be received at the public treasuries or issued therefrom on any account whatsoever.'

2. 'That public notice be given that Government with a view to enable individuals to get their old coin or bullion converted into

<sup>1</sup>JASB, 1893

<sup>2</sup>Seton-Karr, *Selections from Calcutta Gazetteer*, II, pp 70-72.

*Sicca* rupees without delay have established mints at Patna, Murshidabad and Dacca in addition to the mint at Calcutta.'

3 'That for all bullion or old coin of *Sicca* standard delivered into the mint an equal weight of *Sicca* rupees be returned to the proprietor without any change whatsoever.'

4. 'That all bullion or old coin under *Sicca* standard delivered into the mint be refined to the *Sicca* standard and that the number of *Sicca* rupees equal to the weight of the bullion so refined be returned after deducting 12 annas per cent for the charge of refining.'

5 'That the rupees coined at Dacca, Patna and Murshidabad be made precisely of the same shape, weight and standard and that they bear the same impression as the 19th *Sim Sicca* rupees coined at Calcutta, in order that the rupees struck at the several mints may not be distinguishable from each other, and they may be received and paid indiscriminately in all public and private transactions.'

6. 'That to guard as far as possible against the counterfeiting, clipping, drilling, filing or defacing the coin, the dies with which the rupees are to be struck be made in future of the same size as the coin so that the whole of the inscription may appear on the surface of it, and that the edges of the coin be milled.'

7. 'That persons detected in counterfeiting, clipping, filing, drilling or defacing the coin be committed to the Criminal Court to be punished as the law directs.'

8 'That all the officers, *gomastas* and others employed in the collection of the revenue, the provision of the investment and manufacture of salt and all shroffs, *poddars*, *zamindars*, *talookdars*, farmers and all persons whosoever be prohibited affixing any mark whatsoever to the coin, and that all rupees so marked be declared not to be legal tenders of payments in any public or private transactions and that the officers of Government be directed to reject any rupee of this description that may be tendered at the public treasuries.'

9. 'That as there may not be sufficient number of *Sicca* rupees in circulation in some districts to enable the landlords to pay their revenues to Government in *Sicca* rupees, as stipulated in their engagements for the decennial settlement that the various species of rupees current in the several districts be received at the public treasuries from the landholders and farmers in payment of their revenues until 10 April, 1794 at fixed rates of *batta*, to be calculated according to the difference of intrinsic value which the various

species of coins in circulation bears to the *Sicca* rupee as ascertained by assay in the Calcutta Mint'

10. 'That all rupees excepting *Siccas* which may be received at the public treasuries agreeably to the 9th article be not on any account issued therefrom but that they may be sent to the mints and coined into *Siccas* of the 19th *Sum*'

11. 'That after the 10th April, 1794, no person be permitted to return in the *Dewanny* or *Maul Adawlt* established in the provinces of Bengal, Bihar and Orissa any sum of money under a bond or other writing or any document written or verbal, entered into after the above mentioned date by us, any species of rupees excepting the *Sicca* rupee of the 19th *Sum* as stipulated to be paid'

12. 'That persons who shall have entered into bonds or writing or other agreements written or verbal, prior to 10th April, 1794, whereby a sum of money is to be paid in the same before that date, be at liberty to liquidate such engagement either in the rupees specified therein or in the 19th *Sum Sicca* rupee at the *batta* which may be specified in the table mentioned in the 9th article.'

13. 'That all engagements hereafter entered into on the part of Government for the provision of the investment or manufacture of salt or opium be made in the *Sicca* rupee and that all landholders and farmers of land be expressly prohibited from concluding any engagements with their under renters *ryots* or dependent *talookdars* after the 10th April, 1794 excepting for *Sicca* rupees under the penalty of not being permitted to recover any arrears that may become due to them under such engagements as prescribed in the eleventh article'<sup>1</sup>

With a view to substituting *Sicca* for the other kinds of coins, and according to the suggestion of the Mint Committee, the Collectors of the different districts in Bengal were asked by the Government of Cornwallis to send all rupees, except *Sicca*, to the Murshidabad mint for recoinage. But this aggravated scarcity of currency, particularly of small silver coins, and put the common people to acute hardship. Under such circumstances Lord Cornwallis stopped demonetisation of all varieties of rupees, except *Sicca*, from the 11th April, 1794, and extended the date for demonetisation till the 10th April, 1795<sup>2</sup> Thus 'after repeated attempts for more than 18 years the 19th *Sum Sicca* was success

<sup>1</sup>Seton-karr, *Selections from Gazetteer*, II, pp 70-73.

<sup>2</sup>ibid, II, p 118

fully established in 1795 as the legal tender for the whole province, except in the outlying district of Sylhet where it became legal tender three years later.<sup>1</sup>

Owing to the extreme dearth of *Siccas* and unsuitability of Company's paper currency, bimetallism was introduced for the third time in Bengal as 'a matter of necessity rather than of choice with Cornwallis.'<sup>2</sup> On the 22nd November, 1792, Cornwallis' Government passed Resolutions<sup>3</sup> to the effect that (1) 'gold *mohurs* of full weight (viz 17 annas *Sicca* weight) coined in the Calcutta mint since the 20th March, 1769, shall be declared a legal tender of payment in all public and private transactions throughout the country at the rate of sixteen *Sicca* rupees for each and proportionately for its subdivisions.' (2) 'That certain charges were to be imposed on gold bullion sent for coinage' Similarly by Regulation XXXV of 1793, gold *mohurs* of Patna, Dacca and Murshidabad mints with their halves and quarters were declared legal tender. Circulation of gold currency was 'extended to the interior parts of the country.'<sup>4</sup>

On the 12th August, 1793, the Company's Government in Calcutta wrote to Mr William Cowper, President of the Board of Revenue: 'On the 22nd of November, 1792 we published a Proclamation that all gold *mohurs* of full weight with their subdivisions coined in the Calcutta mint since the 20 of March, 1769, corresponding with the year of the Hidjree 1182 should be a legal tender of payment in all public and private transactions throughout the country at the rate of sixteen *Sicca* Rupees for each *mohur* and proportionally for its subdivisions.

2 Being very desirous of establishing the currency of gold in every part of the country we desire you will instruct the Collectors to notify the above proclamation in the country languages in the *Cutchery* of every village within the limits of their respective Districts.

3. We are aware that it would not be advisable to issue the commercial and salt advances in gold at present but we see no objection to the salaries and establishments of the commercial and salt departments being issued in gold immediately and as the gold so issued will come back into the Treasury through the

<sup>1</sup>J.C. Sinha, op. cit, p. 225.

<sup>2</sup>ibid, p. 237

<sup>3</sup>ibid, pp 227-28.

<sup>4</sup>Public Letter from Court, 25th May, 1798

channel of the Collectors, its currency will thus gradually become established, and the principal objection to the circulation of it in the other Departments be consequently removed.

4 We are sensible that the success of the measures which may be desired for establishing the currency of gold throughout the country will depend in a great measure upon the exertions of the Collectors; since without their hearty co-operation to carry the regulations into effect and more particularly to prevent improper obstacles being thrown in the way of the receipt of gold at their respective Treasuries there is great reason to apprehend that the object which we have so much at heart may be materially impeded. In order, however, to more effectually guard against the obstacles above alluded to we desire it may be notified to the officers of the Collector's Treasury that if it shall be proved that they have in any instance refused to receive gold coin tendered at the Treasury or exacted a *Batta* on it subsequently to such notification they will be dismissed from their offices with ignominy.'

These measures of Cornwallis were not adequate to remove the complex evils<sup>1</sup> in currency, though these may have served as a temporary palliative in a stage of transition. The Court of Directors rightly observed as follows in their *Public Letter*, dated the 25th May, 1798. 'That ever since its (gold *mohur*'s) currency has been established, both partially and generally, a loss under the denomination of *batta* has been sustained, in exchanging it for silver, of from 2½ to 6 or 7 per cent, varying in proportion to the demand

<sup>1</sup>The following is a statement of the average rates of *batta* on silver in each month of the years from 1796 to 1799

	1796			1797			1798			1799		
	Rs	as		Rs	as		Rs	as		Rs	as	
Jan	2	4	per cent	1	7	per cent	0	12½	per cent	0	4	p c
Feb	3	0	"	1	14	"	1	0	"	0	3	6
March	4	3	"	2	15	"	2	13	"	.	.	"
April	4	2	"	2	13	"	3	4	"	.	.	"
May	4	0	"	2	3	"	3	0	"	1	0	6
June	3	8	"	3	0	"	2	12	"	2	3	"
July	5	1	"	2	6	"	2	6	"	1	0	"
August	3	10	"	1	11	"	1	5	"	0	5	"
Sept.	3	2	"	1	12	"	0	9	"	..	.	"
Oct.	2	9	"	1	10	"	0	9	"	...	..	"
Nov	2	11	"	1	5	"	0	4	"	....	.	"
Dec	1	7	"	1	2	"	0	4	"	.	..	"

Public Letter to Court, 1st March, 1800, para 12.



for silver, thereby operating as a tax upon the Company, upon individuals and upon the industry and commerce of the country.

That hitherto no means have been effectual for abolishing the *batta*.

That experience has shown that even the smallest possible denomination of gold coin is unfit for the purpose of general circulation.

That the only effectual remedy would be to call in the gold coin, and to establish the *sicca* rupee as the only legal tender of payment in all public and private transactions.

That this measure is, at present, impracticable, as it is estimated that at least to the value of two crores of rupees in gold (sic) would be thereby thrown upon the treasury, where there ought to be the same sum in rupees to answer it. The whole amount of the gold in circulation is estimated at two crores of (? and) forty five lacks of rupees.

That a long period must elapse before the Company will be in a situation to adopt the measure of calling in the gold coin unless largest supplies of bullion are sent from Europe.

That the present valuation of the gold *mohur* (16 *Sicca* Rs) is too high.

That gold coin will always be useful in Bengal, but that it should be received by convention only, when it will circulate as far as the state of society will admit.

Reform of the currency also engaged the attention of Cornwallis' successor, Shore. With all his efforts Cornwallis could not remove the discount on gold *mohurs*. Besides the continued prevalence of *batta* throughout the year, Shore had to face the problem of 'periodic rise' of *batta* during the summer (months of April, May and June). The Editor of the *Calcutta Gazetteer* wrote on the 24th April, 1794, that 'the *batta* on the exchange of gold *mohurs* into silver has risen during the last week to the rate of three Rupees four annas per cent'.<sup>1</sup> To prevent rise in the rate of *batta* in summer, Shore suggested in his *Minute* of 13th July, 1795, that 'during the months of April, May and June half of each disbursement in Calcutta by the Government must be silver, the other half being in gold, until the circulation of the latter was more generally established.'<sup>2</sup> The

<sup>1</sup>Seton-Karr, *Selections from Calcutta Gazetteer*, II, p. 381.

<sup>2</sup>J.C. Sinha, op. cit., pp. 230-31.

Collectors of Revenue were also to be authorised to purchase silver in advance, to pay revenue during the summer if necessary. The Government gave immediate effect to these suggestions and thus the 'seasonal rise' of *batta* was checked.

But the general *batta* on gold *mohurs* remained till the close of the eighteenth century. There was improvement in the situation by that time, due chiefly to the resumed import of silver into Bengal from England. We read in the *Calcutta Gazetteer* of 28th November, 1799, that the 'amount of silver Bullion only, imported by sea within the last four months is near one crore of rupees, or about one million two hundred thousand pounds sterling'. We are happy to observe that this large importation of bullion appears already to have produced one very important effect, as the community is now completely relieved from the evil of *batta* on the exchange of gold for silver money. <sup>1</sup> The Council in Calcutta wrote to the Court of Directors on the 1st March, 1800, that 'during the last four months of the past year, silver bore no *batta*. This cessation of *batta* on silver is to be attributed entirely to the large importation of silver bullion from Europe. . . . .'

High discount on gold gradually disappeared. In the first decade of the nineteenth century silver coins had normal circulation, though varieties of silver coins had circulation after 1795 and *batta* was charged on the exchange of those except Calcutta and Farrukhabad *Siccas*. Buchanan mentions circulation of different species of coins in the areas surveyed by him. The old unmilled *Sicca* rupees were still in circulation as *Sonauts*<sup>2</sup> of several types such as the Patna, the Murshidabad and the Calcutta *Sonauts*. *Sonauts* were so much in circulation in North Bengal that Buchanan had a suspicion that 'the coinage of these *Sonaut* rupees is going on somewhere or other, and is by all possible means encouraged by the bankers and money changers'.<sup>3</sup> At the time of Buchanan's survey some old Murshidabad coins were current in Gorakhpur under the denomination of *purvis* and some old coins from the west, called *Rekabis*.<sup>4</sup> Another variety of coins, called *Muhammad Shah* rupees, was occasionally in circulation there.<sup>5</sup> Besides these, the Lucknow rupees were also

<sup>1</sup>Seton-Karr, *Selections from Calcutta Gazetteer*, III, p. 254.

<sup>2</sup>Buchanan, *Patna-Gaya Report*, II, pp 700-1, *Purnea Report*. p 586

<sup>3</sup>Buchanan, *Purnea Report*, p. 586

<sup>4</sup>Martin, *Eastern India*, II, p. 575

<sup>5</sup>*ibid*.

current, particularly in the western parts of the Bengal Presidency.<sup>1</sup> The Banaras rupees had circulation not only in the Banaras province but also in Bihar, specially in the Shahabad district, where the shroffs preferred them to the new coins of the Company, because 'not being legal tender of payment' these were 'liable to whatever deduction they please under the name of exchange.'<sup>2</sup> Buchanan writes: 'One of the greatest proprietors in the district is Baidyonath, the banker of Patna, who is also a great lender of money. He will take nothing but Banaras rupees from his tenants, and 104 of them for every hundred rupees of rent.'<sup>3</sup>

Arcot rupees were still current in different parts of the Bengal Presidency. Referring to the district of Dinajpur, Buchanan observes: 'The most common silver currency is the *Kuldar*, or the new milled coinage of Calcutta of which however a considerable proportion has been depreciated by marks. There are however still current a good many of the old unmilled coinage, and of French rupees, which pay a heavy coinage.'<sup>4</sup> French rupees were probably Arcot rupees. In Orissa two different kinds of Arcot rupees were in circulation, viz. *the Jahaji Arcot* and *the French Arcot*.<sup>5</sup> Though in May, 1805, the Company's Government declared the 19th *Sun Sicca* legal tender in Orissa, yet various species of local coinage were in circulation there. These were *the Cuttacki*, *the Soorti*, *the Froosi*, *the Dasmasa* (weighing ten *masas* or about 150 grains in weight), *the Muchibundi*, *the Tipushahn* (probably refer to coins of Tipu Sultan), *the Nagpuri* (coins of Nagpur) and the *Chitterpuri*. The last two varieties were mostly current in the Balasore district.<sup>6</sup> The Collector of Cuttack informed the Board of Revenue in September, 1810, that *Sicca* rupees were not in circulation sufficiently and to remedy the evil he suggested 'that in future all despatch of Treasure to the General Treasury he may be empowered to offer to the respectable merchants and landholders the *Sicca* rupees for *Hoondeans* payable to that Treasury thereby prohibiting the return of *Sicca* to the Presidency or exportation from the zillah.'<sup>7</sup>

Copper coins were current in ordinary transactions. The pice

<sup>1</sup>Martin, *Eastern India*, II, p. 575.

<sup>2</sup>Buchanan, *Shahabad Report*, p. 438

<sup>3</sup>*ibid*

<sup>4</sup>Martin, *Eastern India*, II, p. 1010.

<sup>5</sup>*Bengal Past and Present*, July-December, 1939, p. 69.

<sup>6</sup>*ibid*.

<sup>7</sup>*ibid*, p. 70.

current in the city and district of Banaras, before the establishment of the mint there, was mostly coined at Gorakhpur.<sup>1</sup> Pice was first coined at Banaras in 1742, but from that time till 1762 no pice was coined in the Banaras mint. In 1763 some quantity of English copper was purchased by the farmer of the mint who 'coined it into pice of ten *mashas* stamped with the die of Gorakhpur. The number exchanged for a rupee was 45 to 48.'<sup>2</sup> But the coinage of pice was again stopped till 1776, when it was re-started with the permission of Raja Chait Singh. The weight of the new coin was 10m 3r. and 50 to 51 of it passed for a rupee. An order issued by the Nawab Wazir of Oudh in 1779 to the officers of the Allahabad mint to reduce the weight of the pice to 9m. 2r created a complication in copper coinage. The merchants on getting for their maund of copper 3,650 pice at Allahabad and only 3,250 pice at Banaras took all their copper to Allahabad. At this there was almost a standstill in the coinage of pice at Banaras and plenty of Allahabad pice were brought there by the merchants. After some objection Raja Chait Singh permitted currency of the Allahabad pice of 9m. 3r. along with the old pice of 10m 3r. The bankers took advantage of this to lower the value of the pice. An order of Raja Chait Singh, passed in 1780, permitted coining of pice of similar size and weight like those of Allahabad pice, and 'this contributed greatly to overstocking the circulation.'<sup>3</sup> In 1786 the Resident at Banaras ordered that 'no pice should be issued from the mint under 10m 3r. and that Gorakhpur pice, weighing 10m. to 10m 3r. and Benares pice, weighing 10m. 3r. should pass at the same value.'<sup>4</sup> Considering that good quantity of new pice had been coined for Banaras, the Resident declared current only the new Banaras pice, stamped with a *trisol* (trident), and weighing 10m to 10m 3r. and the Gorkhpur pice re-stamped and not under 10m in weight.<sup>5</sup>

Some irregularities still prevailed in the Banaras Mint, and in April, 1801, a Committee was appointed to enquire into its condition. After this Committee had submitted its report, the Governor-General ordered the formation of a Committee, composed of the Agent of the Governor-General, the Magistrate of the City of

<sup>1</sup>JASB, 1893, p. 58.

<sup>2</sup>ibid.

<sup>3</sup>ibid.

<sup>4</sup>ibid, p. 59

<sup>5</sup>ibid.

Banaras and the Collector of the Province of Banaras, for superintendence and control of the mint.

In Rohilkhand and Bareilly different sorts of copper coins, viz, *the Muddoo Sahe*, *the Nudjeebkhana* and *the Kuttaui Shahees* were in circulation. As the Collector of Tirhut reported in 1792, Gorakhpur pice was current in the southern *parganas* of his district. In its northern *parganas* the Nepal pice, coined by the Raja of Nepal and inscribed Sita Ram, was current.

Copper coins were introduced gradually in Bengal. A suggestion was made here in 1757 by an officer of the East India Company for introducing copper coins as a matter of convenience. In that year Captain Brohier, Engineer in charge of construction of a fort at Berhampore (in the Murshidabad district), wrote to Mr. Roger Drake, President of the Council in Calcutta: 'The payment of artificers and coolies in *cowries* being extremely tedious, it would be necessary absolutely to coin *annas* either in silver or copper. . . .'<sup>1</sup> But the plan did not evidently produce satisfactory results. Thus Captain Brohier observed in one of his letters to the Council in Calcutta in 1760 '... the coolies and artificers complain that they do not get the real value of the copper money they are paid in at the *bazar*'

Between 1781 and 1809 circulation of copper coins, like a single pice and a half pice, was made legal throughout the Bengal Presidency, and between 1807 and 1809 Banaras double pice, single pice and half pice were issued. By Regulation X of 1809, the Calcutta Mint was asked to coin pice for the province of Banaras, valued at 64 per rupee. One defect of copper currency was that various kinds of copper coins were long in circulation including some struck by blacksmiths. Thus, as Buchanan notes, at the time of his survey in Patna, the Company's 'new *Paysas*' were 'almost alone in use; but in the country a good many of the rude masses called *Gorakhpuri Paysas*' were 'still in circulation.'<sup>2</sup> These were current also in the Shahabad district. At Gaya the *Madhusahis* were 'pretty common.'<sup>3</sup> *Madhusahis* and *Sherjungy Paysas* were in circulation in the Shahabad district.<sup>4</sup> At the time of Buchanan's survey some *Chidams* and *Damris* were in circulation in Bihar. The former was equivalent

<sup>1</sup>Proceedings, 13th October, 1757.

<sup>2</sup>Patna-Gaya Report, II, p. 701

<sup>3</sup>ibid.

<sup>4</sup>Shahabad Report, p. 439.

to one *Paysa* or 25 *Cowries* and the latter to one-eighth of a *Paysa*.<sup>1</sup> Further, till Regulation III of 1831 introduced copper pie pieces, there was no sufficient fractional copper coin and this caused some inconvenience to the people. Subsequently the Company's Government took some steps to popularise copper currency.

As it has been already noted *cowries* formed the lowest medium of exchange in Bengal, Orissa and to some extent in Bihar also, from ancient days<sup>2</sup> till the early years of the 19th century,<sup>3</sup> and their use as such gradually disappeared after that period.<sup>4</sup> So the people of those parts imported *cowries* in large quantities from the Island of Maldives.<sup>5</sup> Manucci (1653-1708) writes that *cowries* 'came from the Maldives and are current money in the kingdom of Bengal.' There are references to the sale of *cowries*, imported from the Maldives, at different places in Bengal, in Fort William Consultations, dated 14th March, 1717,<sup>6</sup> 16th June, 1718,<sup>7</sup> 14th October, 1720<sup>8</sup> and 29th May, 1721.<sup>9</sup> In their letter to the Court of Directors, dated the 10th December, 1738, the Council in Calcutta observed 'Wrote to Ballasore for 80 Ton *cowries*, the ship by whom they were expected from Maldiva lost her passage and was forced into Ganjam, but 3 sloops are arrived with *Cowries* at Ballasore from her . . . . .'.<sup>10</sup> In 1741-42 the 'price of *cowries* broke at 33 *pun*<sup>11</sup> for a Madras rupee' owing to the arrival of two ships from the island of Maldives on the 12th September, 1741.<sup>12</sup>

In September, 1746, Mr. James Altham, Chief of the English Factory at Balasore, wrote to the Council in Calcutta for a supply of Rs 15,000 to purchase *cowries* and to defray the expenses of his factory. The Council sent to him the required sum 'for the running

<sup>1</sup>Patna-Gaya Report, II, p 701.

<sup>2</sup>Mazumdar, B P. *The Socio-Economic History of Northern India*, p 219

<sup>3</sup>*Travels of Peter Mundy*, II, p. 311, *Tavernier* (Ball's edition), I, p 413

<sup>4</sup>vide ante

<sup>5</sup>Bowrey, *The Countries round the Bay of Bengal, 1669-79*, p 200, *Hedges Diary* (Hakluyt Society), I, p 96

<sup>6</sup>Wilson, *Early Annals of the English in Bengal*, II, Part I, p 263

<sup>7</sup>*ibid*, III, p 40

<sup>8</sup>*ibid*, p 283.

<sup>9</sup>*ibid*, p 347

<sup>10</sup>para 22

<sup>11</sup>vide Glossary

<sup>12</sup>Bengal Letter to Court, 3rd February, 1743, para 65

charges of the factory ' But as *cowries*, imported from the Maldives, were then available in Calcutta at a cheaper rate, that is 38 *pun* for a Madras rupee, they decided to purchase 25 tons of these in Calcutta and instructed Mr. Altham not to buy any quantity at Balasore. As a matter of fact, value of *cowries* fluctuated in Bengal according to the demand for them and their quantity available in the market.<sup>1</sup> Bolts estimated the value of 4,000 to 5,800 *cowries*, Stavorinus that of 4,800 to 5,200 and Rickards that of 2,560 to be equivalent to one current rupee.

Milbrun<sup>2</sup> in 1813 thus reckoned their value.

'4 Cowries	..	equal to 1 <i>Gundaa</i>
20 Gundas	. .	.. .. 1 <i>Pun</i>
4 Puns	.. ..	.. .. 1 <i>Anna</i>
4 Annas	. .	.. .. 1 <i>Kahun</i>

which is about  $\frac{1}{4}$  of a rupee'

Even after the introduction of copper coins by the Company's Government, only silver coins and *cowries* were in circulation at some places Referring to the district of Dinajpur, Buchanan writes: 'The usual currency consists of silver and *cowries*; and gold seldom appears, and copper has never been introduced.'<sup>3</sup> About Purnea also he notes that 'in most parts of the district the currency consists entirely of silver and *cowries*.'<sup>4</sup> But in the Patna district, *cowries* were 'scarcely current' when Buchanan surveyed it and these were being gradually replaced by copper *paysas*.<sup>5</sup> In the Shahabad district *cowries* were then 'current in exchange for copper money, but not where the sum amounts to one copper coin or *Paysa*.'<sup>6</sup> At the beginning of the 19th century there was scarcity of *cowries* in Orissa due to some malpractices on the part of the shroffs, who often 'buried them in their houses' for enhancing their value exorbitantly in advancing money to the needy *zamindars*.<sup>7</sup> *Cowries* began to fall in price progressively, particularly from the time when it was known

<sup>1</sup>Bengal Letter to Court, 30th November, 1746, para 19

<sup>2</sup>Milburn, *Oriental Commerce*, II, p. 108.

<sup>3</sup>Martin, *Eastern India*, II, pp. 1009-1010

<sup>4</sup>Purnea Report, p. 586.

<sup>5</sup>Patna-Gaya Report, II, p. 701.

<sup>6</sup>Shahabad Report, p. 439

<sup>7</sup>Bengal Past and Present, July-December, 1939, p. 71.

that 'after a certain period they would not be received in payment at the Collector's Treasury.'<sup>1</sup> *Cowries* gradually disappeared from currency, though they continued to be used at some places for many years more.

Multiplicity of coins was an economic evil in Madras and Bombay also. On the basis of some correspondence received from Madras and Bombay in 1802 regarding the need for a reform of the coinage, the Calcutta Mint submitted the following plan for this:

(i) That the gold and silver coins of Madras, Bombay, and the Ceded Districts,<sup>2</sup> be of the same standard and weight

(ii) That the gold *mohur* (gold rupee) weigh 180 grains troy, and contain 168 grains of gold and 12 grains of alloy,

(iii) That the silver rupee weight 186 grains troy and contain 173 grains of silver and 13 grains of alloy;

(iv) That fourteen rupees be equal to, and pass for the gold *mohur*;

(v) That the *mohur* and rupee of Bombay be divided into halves, quarters, and eights (which last could be milled and stamped without trouble)

(vi) That the Madras quarter *mohur* pass for 42 silver *fanams*, and the Madras rupee for 12 *fanams*.<sup>3</sup>

But nothing appears to have been done immediately. In the Ceded Districts the ryots were paying their rents in 1807 in about forty different coins.<sup>4</sup> The various local coins were however gradually disappearing and the *Star Pagoda* (a gold coin) and the Company's rupee, which became 'equal at least to the amount of all the other coins in circulation,' were more in currency.

In the Madras Presidency the current coins in the early years of the nineteenth century were *Pagodas* of different kinds, the Arcot rupee, single and double *fanams*, and copper coins of 20, 10, 5 and 1 cash each. Eighty cash made one *fanam*, but the number of *fanams*

<sup>1</sup>ibid

<sup>2</sup>An extensive tract of territory, south of the river Tungabhadra, covering about twenty-seven thousand square miles, which were transferred by the Nizam of Hyderabad to the English East India Company in 1800

<sup>3</sup>JASB, 1893, pp 63-64

<sup>4</sup>Proceedings, Indian Historical Records Commission, Seventeenth session (1940), p 60. In 1805, the exchange of the Company's rupees in the Ceded Districts was from 348 to 355 per 100 *Star Pagodas*. *ibid* About 1813 in Madras 100 *Star Pagodas* were valued at 425 current rupees. Milburn, op cit, II, p. 7



in a *pagoda* varied from 42 to 46<sup>1</sup> Shortly before 1813 a new silver coinage took the place of double rupees, single rupees, halves, quarters and pieces of 1, 2, 3 and 5 *fanams* each.<sup>2</sup>

A new copper coinage was also introduced at that time at the following weights and values:

Double	<i>Dub</i>	.	24 to the rupee
Single	"	.	48 "
Half	"	.	96 "
Quarter	"	.	192 "

When these new coins were issued they were to measure with the *Star Pagodas* and *Fanams* as follows:

84 double	<i>Dubs to one Pagoda</i>
168 single	" "
336 half	" "
672 quarter	" "

3 single	<i>Dubs and 1 regulating Dub equal to 1 Fanam</i>
6 half	" and 1 " " 1 "
12 quarters	" and 1 " " 1 " <sup>3</sup>

In western India at Cambay, Broach, Surat and Bombay, varieties of silver rupees, their halves and quarters were in circulation. At Bombay silver coinage was stopped for about twenty years, owing to the difference in its value with Surat rupee. But in 1800 the Company's Government ordered the Surat rupee to be coined in the Bombay mint and since then the rupee was kept at an equal value in both the mints<sup>4</sup> A gold coin was ordinarily equivalent in value to 15 rupees But 'coins of gold,' writes Milburn, 'have never circulated as a coin either at Surat, or in the Mahratta states on this side of India. They are occasionally carried to those parts, but it is only as bulion'<sup>5</sup> Ten pice (72 pice being equal to 1 rupee) was a small currency at Surat and a species of almonds, called *badams*, was also used for small changes at Surat and Cambay like *cowries* in Bengal. These almonds were exported from Persia and their value varied from 48 to 60 for a pice.<sup>6</sup> Through the coast of Canara,

<sup>1</sup>*Proceedings, Indian Historical Records Commission*, Seventeenth session (1940), p. 7.

<sup>2</sup>*ibid*, p. 8

<sup>3</sup>*ibid*, p. 9; *JASB*, 1893, p. 69.

<sup>4</sup>*ibid*.

<sup>5</sup>Milburn, *Oriental Commerce*, I, p. 174.

<sup>6</sup>*ibid*, p. 154, p. 156 & p. 158.

varieties of coins, such as *pagoda*, *fanams* (a small silver coin), *dubs* (a variety of copper coins)<sup>1</sup> and Bombay copper pice were used in common currency. The money changers charged small *batta* in exchanging gold for silver coins and *dubs* for silver *fanams*<sup>2</sup> At the Malabar coast all sorts of Indian coins were current<sup>3</sup> The coins in circulation in the coastal area from Cape Comorin to Madras were almost similar to the varieties of coins used in western India with variations in their respective values and with slight differences here and there in the small mediums of exchange<sup>4</sup>

Silver and copper coins were current in Central India, and there were mints in almost all the important cities in that area, such as Ujjain, Indore, Bhopal, Pertabgarh, Bhilsa, Gunj Bassowda, Sironj and Kotah.<sup>5</sup> The right of coining money was not vested in any particular organisation or individual. Any banker or merchant, 'sufficiently conversant in the business,' obtained permission from the Government to coin money of the regulated standard in their own expenses on payment of requisite fees for their currency. For supervision of currency the Government maintained only officers like a Superintendent, an assay-master, an accountant and some refiners<sup>6</sup> The principles and processes of coining were nearly the same in all the mints of Central India except at Pertabgarh, where monopoly of coining was 'vested in four mercantile houses'<sup>7</sup> Copper coinage was fluctuating in value and it consisted of double pice, single pice and half pice Its circulation was limited to a particular locality. *Cowries* were used in coinage in Malwa as in some other parts of India.

### Banking

Closely related to currency was the banking organisation of India in those days. The existence of indigenous banking for credit purposes has been traced to the ancient and medieval periods of Indian history. During the greater part of the eighteenth century the Jagat Seths had the premier banking concern in Bengal, with its branches

<sup>1</sup>10 *dubs* = *fanams* 5  $5\frac{1}{2}$  *Fanams* = 1 rupee, 4 to  $3\frac{1}{2}$  Rs = 1 *Pagoda*

<sup>2</sup>Milburn, op cit, I, pp 316-17.

<sup>3</sup>ibid, p 320, Buchanan, *Journey from Madras through Mysore, Canara and Malabar*, III, p 25

<sup>4</sup>Milburn, op cit, I, pp 365, 367, 376 and 378.

<sup>5</sup>Malcolm, *Memoir of Central India*, II, p 80

<sup>6</sup>ibid, p 81.

<sup>7</sup>ibid, p 84 The coins of this place were called *Salim Shae* after Raja Salim Singh, who established the mint

in certain other parts of India.<sup>1</sup> The Jagat Seths belonged to the Oswal sect of the Jains. One of their ancestors, Hiranand Sahu, first came from Nagar in Marwar to Patna for banking business and started a *kuthi* here. His eldest son Manik Chand went to Dacca and established a banking house there in 1700. With the transfer of the capital of Bengal to Murshidabad, Manik Chand settled at Mahimapur near Murshidabad. Emperor Aurangzeb had honoured him with the title of *Jagat Seth*. After his death in 1714, Fateh Chand, his nephew and adopted son, became the head of this house and received the title of *Jagat Seth* from Emperor Muhammad Shah in 1722. Fateh Chand died in 1744 and of his two grandsons, the eldest Mahatap Chand also got the title of *Jagat Seth*. It was under Mahatap Chand that the house of the *Jagat Seths* ('the Rothschilds of India') attained acme of prosperity. The contemporary Indian historical work, *Siyar-ul-Mutakherin*, thus refers to their influence and opulence: 'Their riches were so great that no such bankers were ever seen in Hindostan or Deccan, nor was there any banker or merchant that could stand a comparison with them all over India. It is even certain, that all the bankers of their time in Bengal, were either their factors, or some of their family. Their wealth may be guessed by this only fact. In the first invasion of the Marhattas, and when Mir Habib, with a party of their best horse having found means to fall upon that city before Alivardi could come up, carried from Jagat Seth's house two crores of rupees in Arcot coin only; and this prodigious sum did not affect the two brothers more than if it had been two trusses of straw. They continued to give afterwards to Government, as they had done before, bills of exchange, called *dursumes* of one crore at a time, by which words is meant, a draft, which the acceptor is to pay at sight, without any sort of excuse.'<sup>2</sup>

There are copious references in the contemporary records of the English East India Company and some references in those of the Dutch and French Companies to the paramount influence of the *Jagat Seths* in monetary matters. They also actively participated in

<sup>1</sup>*Proceedings of Indian Historical Records Commission*, V; *Bengal Past and Present*, XX, 1920 and XXI, 1921, K.K. Datta, *Alivardi and His Times and Studies in the History of the Bengal Subah*, I, *Proceedings of the Indian Historical Records Commission*, XXXVI

<sup>2</sup>*Siyar-ul-Mutakherin* (English Translation), II, pp 457-58.

the mid-eighteenth century political revolutions in Bengal, both in the pre-Plassey and post-Plassey periods.

For their trade in Bengal the European Companies occasionally borrowed money from the *Jagat Seths*<sup>1</sup> and also exchanged their bullion in their banks. In September, 1749, the debt of the Dacca Factory alone to the Seths amounted to Rs 584,000. Before the French lost Chandernagore in March, 1757, they had a debt of one million and a half with them and in that very year the Dutch borrowed four lacs from them at 9 p.c. interest a year.<sup>2</sup> They had the monopoly of the purchase of silver or of taking any Arcot rupees in Bengal.<sup>3</sup> William Watts wrote from Cassimbazar to Roger Drake on the 8th February, 1753, that the *Jagat Seth* of Murshidabad was 'the sole purchaser of all the bullion that is imported in this province by which he is annually a very considerable gainer.'<sup>4</sup>

Realisation of *Batta* for exchange of coins, both indigenous and foreign, formed an important source of wealth of the *Jagat Seths*. Bolts writes 'Thus the trade in rupees has long been an extensive and complicated branch of business, and the *Batta*, which is a mischievous instrument in the hands of great exchange and money-dealers, was by the manoeuvres of this artful *shroff*, or banker, at Murshidabad, rendered a fund of infinite wealth to the family of the Seats (*Seths*). . . .'<sup>5</sup> Several efforts of the English East India Company to coin their own money at Murshidabad, according to *Firman* of Farrukhsiyar, were frustrated due to their opposition. Even after the English had obtained the right of coining money in Calcutta from Sirajuddaulah it was not of much use to them immediately. In January, 1758, a merchant named Charles Douglas refused to accept payment in their Calcutta coins on the following ground. 'I should have my fortune (and that of others under my charge) daily exposed to the imposition of being curtailed and diminished from 5-8 to 10 per cent at the pleasure of Juggat Set (*Jagat Seth*) and the head *shroff* of this province, who, it is well known, has the sole management and direction of the current money of the country, and can always make it fluctuate in such a manner as he sees fitting

<sup>1</sup>Letter to Court, 22nd December, 1748, paras 8 and 12; 14th February, 1751, paras 72-75, 20th August, 1751 paras 77-78.

<sup>2</sup>*Bengal Past and Present*, 1921

<sup>3</sup>S C Hill, *Bengal in 1756-57*, I, p. 32

<sup>4</sup>Letter to Court, 12th February, 1753, para 12

<sup>5</sup>Bolts, *Considerations on Indian Affairs*, p. 158

and convenient for his purpose.”<sup>1</sup> Mr. Douglas had to quit India under the orders of the Court of Directors to whom his conduct appeared to be ‘insolent as well as frivolous and tending to set an example of obstinacy and opposition’<sup>2</sup> But about two years later the Council in Calcutta wrote to the Court of Directors on the 29th December, 1759. ‘Our Mint is at present of very little use to us, as there has been no bullion sent out of Europe this season or two past, and we are apprehensive that it will never be attended with all the advantages we might have expected from it, as the coining of *Siccas* in Calcutta interferes so much with the interest of the Sets (*Seths*) that they will not fail of throwing every obstracle in our way to depreciate the value of our money in the country, notwithstanding its weight and standard as is in every respect as good as the *Siccas* of Moorshedabad, so that a loss of *Batta* will always arise on our money, let our influence at the Durbar be ever so great’<sup>3</sup> Referring to the gains of the *Jagat Seths* from *batta*. Mr. Batson observed before the Council in Calcutta in June, 1760 ‘The Nabob receives his revenues in *Siccas* of the current year only, which are accordingly esteemed the only authorised coin, that is to say, the only coin a person is obliged to receive in payment; and all *Siccas* of a lower date being esteemed, like the coin of foreign provinces, only a merchandise are bought and sold at a certain discount called the *batta*, which rises and falls like the prices of other goods in the market. This undervaluation of all *Siccas* of a lower date than the current year being established, the farmer of the Nabob’s Mint and the Shroffs connected with them use various artifices to maintain it, that they may have an opportunity of buying up such undervalued rupees which they carry into the Mint and stamp anew, hence arises their profit, which enables them to give a yearly sum to the Nabob for the farm.’ He further noted, ‘By the shroffs connected with the farmer of the Mint, I mean Juggut Seat’s house, who have the privilege of coining and now stamping their money in the Nabob’s Mint on paying to the farmer a duty of  $\frac{1}{2}$  per cent; by this privilege and by their great wealth and influence in the country they reap the chief benefit arising from the above mentioned practice, which I have called an indirect tax, and the Nabob finds it convenient to induce them therein in recompense for the

<sup>1</sup>Long, *Selections from Unpublished Records of the Government of India*, p. 138

<sup>2</sup>ibid.

<sup>3</sup>ibid, pp. 164-65.

loans and exactions he obliges them to submit to in his exigencies of money.<sup>1</sup> In November, 1760, Mir Qasim, soon after his accession, renewed to the Company the grant for the establishment of a Mint in Calcutta.<sup>2</sup>

The banking house of the *Jagat Seths* had its branches in the important cities of northern and eastern India from Delhi to Dacca and there was a great demand for their *hundis*. Bengal tribute of one crore was sent to the Delhi Emperor by Fateh Chand through one single *hundi*. Government revenue in Bengal was paid by the *Zamindars* or *Ijaradars* through them. 'When the *Zamindars* were distressed for a sum of ready money, or a bondsman, in order, upon an emergency, to secure their farms, Juggut Seat was always ready. He likewise obtained the shroffing of all the revenues (that is, 'the examining, sorting and weighing the various kinds of rupees, to fix each to its *distinct species*, discard the refuse, and settle the *Batta* upon all, according to the price of the day. in order to establish the value in standard, or *Sicca* rupees), and upon occasion became answerable to the *Subahdar* or Nabob, at the instance of the *Zamindars*, for such particular payments on account of their rents as they fell short in; for which he was well paid by a high interest on the sums he advanced.'<sup>3</sup> Probably *Jagat Seth* received a commission of 10 per cent on all payments made to the Nawab through them.<sup>4</sup> Scrafton, the Company's Resident at Murshidabad for some time, writes: 'Guggut Seat (*Jagat Seth*) is in a manner the Government's banker, about two-thirds of the revenues are paid into his house, and the Government give their draught on him in the same manner as a merchant on the Bank, and by what I can learn the Seats (*Seths*) make yearly by this business about 40 lacks.'<sup>5</sup>

Naturally the relation between *Jagat Seth* Mahatab Chand and Clive continued to be cordial even after Plassey, and on the former's visit to Calcutta in September, 1759, he was entertained at a cost of Rs 17,374-1-6.<sup>6</sup> But the fortunes of the *Jagat Seth*

<sup>1</sup>Long, *Selections from Unpublished Records of the government of India*, pp 216-17

<sup>2</sup>*Ibid*, p 227

<sup>3</sup>Bolts, *Consideration on Indian Affairs*, p 158

<sup>4</sup>S.C Hill, *Bengal in 1756-57*, II, p 278.

<sup>5</sup>Quoted in *ibid*, I, p xxv

<sup>6</sup>Long, *op cit*, pp. 189-90

house began to wane after Mahatab Chand and Swarup Chand were killed under the orders of Mir Qasim. Their successors tried to retrieve their position. In 1764 the Company's Government in Calcutta borrowed four lacs of rupees from them, and early in 1766 the Select Committee applied to them for a loan of a lac and half of rupees.<sup>1</sup> When in April, 1766, Clive was at Murshidabad, they laid before him a claim for a sum of rupees between fifty and sixty lacs. Clive, in consultation with General Carnac and Sykes, who had accompanied him, thought that the Company's Government were not responsible for thirty lacs, which had been lent to the Nawab's military officers, but they considered the claim for twenty one lacs, which had been lent to the Nawab 'for the support of his and the English army,' to be 'just and reasonable.' They recommended to the Council in Calcutta that 'the said sum shall be discharged by the Company and the Nabob in equal instalments within the space of 10 years.'<sup>2</sup>

But, due to various adverse factors, the *Jagat Seth* house gradually lost their old position of influence,<sup>3</sup> and their banking business disappeared. After the *Diwani* grant of 1765 this family had practically no business of revenue transmission, though in April, 1771, the Council of Revenue at Murshidabad wrote to Mr. Middleton at Dacca asking him to send revenue through the house of *Jagat Seth*.<sup>4</sup> After the transfer of the treasury from Murshidabad to Calcutta by Warren Hastings, they ceased to be virtually the Company's banker. Buchanan noticed in the early nineteenth century that the *Jagat Seths* had 'withdrawn all the factories from the places under native anarchy.'<sup>5</sup>

There were some other bankers in different parts of India, who did not however possess similar status and influence like the *Jagat Seths*. One Bulaqi Das had a banking house, from which the Englishmen at the Dacca Factory received one lac or two lacs of rupees in 1763.<sup>6</sup> The Company's Governor had a favourable attitude for Bulaqi Das. Shah Alam II probably borrowed two

<sup>1</sup>Long, op cit, 461.

<sup>2</sup>ibid, pp. 437-38.

<sup>3</sup>Letter to Clive, 10th May, 1765, Long, op. cit., pp. 416-17.

<sup>4</sup>J.C. Sinha, *Economic Annals of Bengal*, p. 148, fn

<sup>5</sup>*Patna-Gaya Report*, II, p. 698

<sup>6</sup>*Calender of Persian Correspondence*, I, p. 243 and p. 245.

lacs of rupees from the bankers, Kashmīrī Mal and Bajnath.<sup>1</sup> A banker, named Benah Ram, had his business in Orissa, and Ghulam Mustafa Munshi, an agent of the Company, was asked by the Governor in Calcutta to receive money from him for some purpose.<sup>2</sup> Manohar Das, Dwarka Das and Gopal Das<sup>3</sup> had a famous banking concern at Banaras, whose business flourished also in Bengal from the eighties of the eighteenth century. Probably they became the Company's banker from the time of Warren Hastings.<sup>4</sup> In 1791 they had a flourishing business at Murshidabad.<sup>5</sup> In February, 1792, Manohar Das sent a complimentary letter to the Governor in Calcutta.<sup>6</sup> In 1796-97 this banking house entered into an agreement with the Council in Calcutta to supply the Company's Government in Bombay 'with the monthly sum of three lacs of rupees for bills on Banaras rupees for 96 Bombay rupees'.<sup>7</sup> In 1798 the Chief of Surat 'entered into a conditional engagement' with this house 'for a supply of two lacs of rupees for bills on Calcutta at 103 Surat rupees per 100 Moorshedabad, at 31 days sight and payable into the Surat treasury by instalments of 60,000 rupees per mensem. It was subsequently settled, however, that this sum should be paid at Bombay, on condition of the bills being made payable at Banaras instead of at Moorshidabad or at the Calcutta treasury, with a difference of one per cent in the exchange of the above sum, one lac was to be paid into the treasury at Bombay in June and the remaining lac in July'.<sup>8</sup>

Some other prominent bankers of the city of Banaras in those

<sup>1</sup>ibid, pp. 457.

<sup>2</sup>ibid, pp 128-29

<sup>3</sup>Shri 'Monohur Doss, the great Benares Banker has commenced a very useful and extensive work for an individual The large tank which is now digging on the Chowringhee Road, three hundred and fifty feet in length and two hundred and twenty five feet in breadth, is, we understand, at his own expense' Seton-Karr, *Selections from Calcutta Gazettes*, II, p. 369 This tank is situated at the junction of the Chowringhee and the Lindsay Street Recently a plaque containing the donor's name has been placed there

<sup>4</sup>Hand writes in his book, *Early English Administration, in Bihar* (published in 1888), that 'in 1781 Jagat Seth was the Company's banker in Calcutta, but in 1782 the house of Gopal Das and Hurry Kishun Das was appointed in his place.' p. 68.

<sup>5</sup>N K. Sinha, *Economic History of Bengal*, I, pp. 143-45

<sup>6</sup>*Calender of Persian Correspondence*, X, p. 41.

<sup>7</sup>*Fort William-India House Correspondence*, XIII, p. 46 and p. 259

<sup>8</sup>ibid, p. 361



days were Raja Bachraj, Baijnath Dikshit Oak, Bhawani Das Sahu, Ramanji Kale, Sheo Lal Dube and Lala Kashmiri Mal. Lala Kashmiri Mal had branch organisations at some principal cities of India.<sup>1</sup> One Shyam Lal was a banker at Patna<sup>2</sup>

Besides the important banking concerns with all-India transactions, there were minor bankers in almost all important towns and cities. Some such bankers, called *Kothiwalas* in Bihar, granted bills for money paid to them and discounted the bills of others. Others, below the *Kothiwalas*, only granted bills for money. They, however, derived much profit 'in dealing with the landlords, keeping their rents, and discharging the taxes'<sup>3</sup> Buchanan saw seven such minor banking houses in the Purnea district, and the chiefs of two of them, Jagat Seth and Meghraj, lived at Murshidabad<sup>4</sup> Jagat Seth granted bills for any part of India, and the others only for Calcutta, Dacca, Murshidabad and Patna<sup>5</sup> According to Buchanan, there were, at the time of his survey, twenty-four *Kothiwalas* at Patna. They all discounted bills payable at Patna or at Calcutta, Banaras and Murshidabad.<sup>6</sup> Some of them had agents at Dacca and Lucknow and one had an agent in Nepal.<sup>7</sup> Buchanan writes that all of them had 'extensive credit' and besides 'dealing in money' some of them traded in different articles.<sup>8</sup> Some local bankers at Gaya and Daudnagar were called *Aratiyas*. They granted 'bills for cash on Patna and Banaras, charging half per cent on the former, and one per cent on the latter'.<sup>9</sup> They further provided cash for 'good bills drawn on them from these two cities' but did not discount.<sup>10</sup>

Lower in status than the minor bankers, were the common money-changers and money-lenders. Such money-changers were ordinarily called *shu offs*. Referring to those of Patna, Buchanan notes that they changed money and purchased and sold bullion.<sup>11</sup> Most of them had small capital and exchanged only silver and copper, while

<sup>1</sup>Calendar of Persian Correspondence, X, pp. 16, 57, 62, 83, 207, 220 and 379.

<sup>2</sup>ibid, p 41

<sup>3</sup>Buchanan, *Purnea Report*, p. 583.

<sup>4</sup>ibid

<sup>5</sup>ibid

<sup>6</sup>Patna-Gaya Report, II, p. 698

<sup>7</sup>ibid.

<sup>8</sup>ibid

<sup>9</sup>ibid.

<sup>10</sup>ibid.

<sup>11</sup>ibid In some contemporary English Records we get names of Ramchand Sahu, Lachmi Narayan and Rautchpal Das as shroffs at Patna.

some at places like Gaya, Patna and Purnea exchanged gold and silver.<sup>1</sup> They lent money to those, who earned money wages, and also helped the *Zamindars* in paying their revenue by lending money to them.<sup>2</sup> Persons called *Poddars* also functioned as money-changers and at some places they were known as *Shroffs*.<sup>3</sup> At Purnea they exchanged silver and *cowries*.<sup>4</sup>

Though the activities of the *Shroffs* were in certain respects useful, they were responsible also for some abuses. 'The *Shroffs* were past masters in the arts of dodging and sophistry and in those days of confusion in currency they often played their game too well. They took the fullest advantage of the intricacy, obscurity and fluctuations of the currency to serve their very selfish ends at the expense of the community.'<sup>5</sup>

In the period of general economic decline of India, the banking concerns of the Jagat Seths and the other banking houses gradually lost their old prosperity. This was due to the various political disorders and economic transition in India, during which almost its entire foreign trade had passed under the control of the Europeans. The few surviving indigenous banks could not supply the financial needs of this trade for which Agency Houses and European banks sprang up here.<sup>6</sup> The Agency Houses were started by the servants of the Company, who after accumulating large funds and finding 'their habits better adapted for commercial pursuits, obtained permission to resign their situations and engage in agency and mercantile business'<sup>7</sup> They served as banks of deposit for the Com-

<sup>1</sup>Patna-Gaya Report, II, p 698, Purnea Report, p 583

<sup>2</sup>Patna-Gaya Report, II, pp 698-99, N K Sinha, *Economic History of Bengal* I, pp 134-35.

<sup>3</sup>Buchanan, *Purnea Report*, p. 583.

<sup>4</sup>*ibid.*

<sup>5</sup>N K Sinha, *Economic History of Bengal*, I, p 135, H R. Ghosal, *Economic Transition in the Bengal Presidency*, p. 274.

<sup>6</sup>In 1790 there were fifteen Agency Houses in Calcutta, majority of them being British. Tripathi, *Trade and Finance in the Bengal Presidency*, p 11.

<sup>7</sup>H Sinha, *Early European Banking in India*, pp. 173-74 footnote. *Bengal Past and Present*, 1929 S B Singh, *European Agency Houses in Bengal*, pp 6-7. We get a detailed discussion, about thiries of the nineteenth Century in Dr. Amalesh Tripathi's book on '*Trade and Finance in the Bengal Presidency*, (1956), Chapter 5, and in the concluding Chapter of Dr. S B. Singh's book on '*European Agency Houses in Bengal, (1813-1833)*' (1966) Dr. Singh rightly observes (p 300) that "Overtrading improvident enterprize, extravagant, miscalculations and excessive expense in living" were some of the chief causes for the failure of the Agency Houses.

pany's civil and military servants and also functioned as bankers to the European Planters and merchants scattered in different parts of the country. They even invested money in various works like indigo cultivation, ship-building, etc. They had also much control over the foreign and internal trade of the Bengal Presidency. There were fifteen Agency Houses in Calcutta by 1790. They collapsed in the thirties of the nineteenth century.

The three factors chiefly responsible for the rise of European banks in India, both for deposit and investment, were the need for greater credit facilities among the European merchants in India due to the growing commercial importance of Calcutta, Madras and Bombay, growth of Indigo plantation in Bengal, creating a 'new necessity for loanable capital,' and increase in the number of European population here. The first European bank in India during the period of our study was the *Bank of Hindustan*, started in 1770 by one of the Agency Houses of Calcutta, Messrs Alexander and Co.

In April, 1773, a General Bank under Government patronage was established for the province of Bengal and the following Regulations were issued for its management

'1st:—That a principal house or bank, under the conduct of one or more responsible *shroffs*, be established at the presidency, through which all the remittances of the revenues shall be made from the districts of the Province, and an inferior house under the charge of one or more *gomastahs*, dependant on the principal in each district or Collectorship.

2nd:—That the Collectors shall not exchange the rupees which they receive in payment of their collections, but shall pay them to the *shroffs* or *gomastahs* of the houses established in their district in the same specie in which they were received, taking their bills on the capital house at the Presidency for the amount payable in *Sicca* rupees at the fixed and ancient *batta* of the *Khazana amara*, or Royal Treasury That the Collectors shall receive the payments from the farmers at these rates of *batta*, and that tables there of shall be affixed in every *cutcherry* of the districts for the information of the farmers.

3rd:—That a table of *hoondian* or commission of exchange shall be formed and agreed upon with the *shroffs* or managers of the bank, in which the commission or percentage on their bills shall be ascertained according to the distance, risk, and charge of trans-

porting the sums in specie, if necessary, to the Presidency, or from place to place, or to the facility of remitting the sums by bills in the districts

4th —That for facilitating the means of exchange and preventing the loss which the country must sustain in the currency and circulation of its specie by the continual transportation of the rents in money to the Presidency and to the city of Moorshedabad, in which a large share of the collections still centre for the payment of the Nabob's stipends, the charges of the brigade stationed at Berhampore, and the provision of the Cossim Bazar investment, all merchants and others who may have dealings in the country shall have liberty to make the remittances to the *aurungs* through the channel of the said Bank, and to that end tables of the rates of *hoondian* which the merchants shall pay for bills shall be affixed at each *cutcherry* of the districts, and in the most public places of the Presidency and Moorshedabad, that a fixed time for payment of the bills after sight shall be decreed by Government and inserted in the bills, which shall be punctually and sacredly adhered to; that the bills shall always be drawn payable in the same species which shall be paid into the bank, and no percentage claimed besides the *hoondian*.' To facilitate the working of the Bank some new Regulations were framed in December, 1773. But the *ryots* of Midnapore complained of hardships<sup>1</sup> 'from the valuation put by the agents of the bank on the rupees current in the district' With a view to ascertaining the effects 'produced by the institution of the Bank' the Governor-General in Council transmitted to the Councils of Revenue at the respective places certain queries asking them to send 'the most precise and deliberate answers on the several points.' The Council of Revenue at Patna replied on the 26th December, 1774, that the 'establishment of the Bank did not extend to this province' and so they could not reply to the questions.<sup>2</sup> In fact, this Bank did not serve any useful purpose and was abolished in February, 1775.

Within a few years another bank, called the *Bengal Bank*, not connected with any Agency House, was started in Calcutta. The chief function of these banks was to issue notes, but they also 'tried to introduce cheques'<sup>3</sup> In June, 1786, was started the *General*

<sup>1</sup>J C. Price, *Notes on the History of Midnapore*, I, pp. 201-6

<sup>2</sup>vide Appendix I

<sup>3</sup>H Sinha, *op. cit.*, p. 7

*Bank of India*, which is believed to have been 'the first Joint Stock Bank in India with limited liability'.<sup>1</sup> One of the articles of the constitution of this Bank provided that it might issue its own notes, but one-third at least of the capital should always remain in specie in the Bank. It functioned at first with success but was dissolved in 1792-93 owing to withdrawal of Government patronage and monetary crisis in Bengal as a result of the strain of the Third Anglo-Mysore War.<sup>2</sup>

The financial panic in Calcutta in 1791 caused also a 'severe run' on the other two banks, the *Bengal Bank* and the *Bank of Hindustan*.<sup>3</sup> Government sanctioned loans to these banks on their application. The *Bank of Hindustan* made good use of this advantage, which the *Bengal Bank* failed to do on account of its 'hopelessly embarrassed' condition, and thus went into liquidation. The *Bank of Hindustan* then prospered for several years. It had soon a rival in the *Bank of Calcutta*, called the *Bank of Bengal* from January, 1809. The business of this Bank was to be confined 'as much as possible to discounting bills of exchange and other bills, and to granting loans for short periods (adequate security being taken in each case) for the accommodation of merchants and the general convenience of the public.'<sup>4</sup> The managers of the Bank were authorized to 'receive deposits of bullion, jewel and other articles of value which can be properly kept'.<sup>5</sup> But they were not at liberty 'to grant any new loans, or to discount bills, when the cash in hand may not amount to one third of the amount of notes and other claims outstanding payable on demand.'<sup>6</sup> The *Bank of Bengal* had greater prestige than any other contemporary bank in India. It was entrusted with Government funds, its 'notes alone were recognised by Government and it was easily the premier bank in India at the time.'<sup>7</sup> A scheme formulated in 1808 to establish a general Bank for India was not implemented.<sup>8</sup> A *Government Savings Agency* was started in

<sup>1</sup>H.P. Sinha, op. cit., p. 9.

<sup>2</sup>ibid, pp. 98-112

<sup>3</sup>J.C. Sinha, *Economic Annals of Bengal*, pp. 240-41.

<sup>4</sup>Sandeman, *Supplement to Selections from Calcutta Gazetteer*, IV, pp. 52-62.

<sup>5</sup>ibid, pp. 60-61.

<sup>6</sup>ibid.

<sup>7</sup>H. Sinha op cit., pp. 163-64

<sup>8</sup>Ghosal, op. cit., p. 291.

Calcutta under the management of the Accountant-General and Sub-Treasurer <sup>1</sup>

After the Charter Act of 1813 some banks, organised on European lines, grew up in Calcutta. The people of this country did not derive any benefit from the early European Banks, nor did these help to bring about any marked improvement in the financial system of the country, which was under exceptional strain due to the various anomalies of the time. They helped only to finance foreign trade of the Englishmen in India, and by issue of paper currency they maintained the value of securities of the Company's Government which formed the reserve against the notes issued by these banks.<sup>2</sup>

<sup>1</sup>*Bengal Past and Present*, 1929.

<sup>2</sup>H Sinha, *op. cit* , p 178.

# Appendices

## APPENDIX A

“To

The Provincial Councils of Revenue

Gentlemen,

In consequence of a reference made to us by the Provincial Council of Revenue at Dacca, we have lately had under our consideration the subject of the rights of masters over the offspring of their slaves. In those districts where slavery is in general usage or any way connected with, or is likely to have any influence on the cultivation or Revenue, which we are informed is the case in the frontier part of Bengal, we must desire you particularly to advise us what is the usage and every circumstance connected with it, and we shall then give such directions as we may judge to be necessary, but considering the Reference in the meantime in the light of a general proposition, we are of opinion that the right of the masters to the children of the slaves already their property, cannot legally be taken from them in the first generation, but we think that this right cannot and ought not to extend further, and direct that you do make publication accordingly.

Fort William,  
The 12th July, 1774.

We are  
Gentlemen  
Your most obedient humble servants

The Governor & Council of  
Revenue.”

## APPENDIX B

“To

Mr. William Harwood,  
Collector of Rajemahal

Sir,

As we judge it expedient to carry into immediate Execution, within the Districts subject to our controul, the orders of the Company, respecting the suppression of the Zemindarry Ghauts, you are directly upon Receipt of this to cause Publication to be made at the Sudder Cutcherry and other convenient places in your District; That all such Zemindarry Ghauts within your Limits are totally suppressed and the Duties hitherto levied at them under the name of Radary Ghaut Hassell, Cotbara, Mangun, Etraufee & etc. from this time abolished and you are forthwith to withdraw the officers now employed in the Collection of the. . . at such Ghauts or Chokies

To prevent any mis(understanding) of our intention we think it proper to add that it is the express Order of the Honble Company that no customs on Goods passing by water shall be levied but at the established Custom Houses of the Shawbunder, Bukshbunder and Pachooterah and that all Ghauts or Chokies belonging to the Zemindars, which have been erected on the Banks of the River for collecting arbitrary Imposts on Boats passing and repassing shall be abolished &ca of the Loss of Revenue sustained by this suppression you are to send us an Account This order is not to affect the Duties which are levied at the Ghauts, Ganges and inland Chokies, but they are to continue on the same footing as formerly

We are

Sir

Your most Obed humble servants  
Warren Hastings and others”

Cossimbuzar,  
The 3 August, 1772



APPENDIX B<sub>1</sub>

"Hon'ble Warren Hastings, Esqr.,

President and Gentlemen of the Committee of Circuit at  
Cossimbuzar

Hon'ble Sir and Sirs,

I have received your orders of the 3rd instant for the abolition of the zemindarry Chokies which have been published and enforced.

I must beg leave to acquaint this Hon'ble Committee, that exclusive of the Gully, Mungun, Etraffee and Imposts usually exacted at the interior zemindarry Chokies there is an original duty collected here (which is collected nowhere else of the black merchants on the silk and white piece-goods purchased at the neighbouring Aurungs and proceeding to the countries to westward of the provinces), for which it has been ever customary to issue the Rowannahs of this place which are given under the public seal of this Syer Pachouter; I am therefore to beg the favour of your orders whether these Rowannahs are to be issued here or the merchants to pay duties elsewhere and if the chokey of this place to be entirely removed in like manner with common zemindarry chokies.

Rajemehal,  
The 10th August, 1772.

I am with the greatest respect  
Hon'ble Sir and Sirs.

William Harwood,  
Collector of Rajemehal."

APPENDIX B<sub>2</sub>

To

Mr. William Harwood,  
Collector of Rajemahal

Sir,

In answer to yours of the 10th instant we are to inform you, that as from your representation the duties collected at the Syer Pachutra in Rajemahal seem to be different from those collected at the zemindarry chokies we intend that they shall be an especial

subject of consideration for the Committee when they proceed to the Settlement of that District. In the meantime it is our desire that you continue levying those duties till our final determination upon them, of which you shall be properly acquainted, and instructed accordingly.

Cossimbuzar,  
The 24th August, 1772.

We are etc., Sir,  
Your most obedient humble servants,  
Warren Hastings  
Samuel Middleton.  
P M. Dacres.  
James Lawrell.  
J. Graham.

### APPENDIX C

“To  
The Provincial Councils of Revenue  
Gentlemen,

Having determined that in future the established duty of  $2\frac{1}{2}$  per cent at the Government's Customs Houses shall be collected upon grain as upon other merchandize we have directed the Board of Customs to issue the necessary orders for this purpose to the Collectors.

We desire you will furnish us with an account of the revenue received from the collection of Rahydarry duties at the Inland Chokeys in the years 1177 and 1178 in the several districts under your charge and also an account of what was received from the collections in Hauts and Gunges. In the account of Rahydarry duties you will if possible distinguish the amount levied upon grain, and the amount levied upon other articles. If you transmit us the accounts of the gross collections, it will further be necessary that the charges should be specified so as to exhibit the net Revenue and you will be careful not to include in these accounts the Revenue arising from the river Chokeys which have since been abolished, and for which deductions have been allowed to the renters

Fort William,  
The 12th April, 1774

We are  
Gentlemen

Your most obedient humble servants  
The Governor and Council of Revenue.”

## APPENDIX D

*Proceedings, 8, May, 1775.*

“As it has pleased the Hon’ble the Governor General Hastings and the respective Council of Fort William to favour the Board of Fredericks Nagore upon their request of some articles to be added to our Patna’s Perwannah.

“I sincerely beg leave you will forward an order to the Durbar, the enclosed articles may be added to the formerly Perwannah received of Patna Nizamat.”

I am

Sir

Your most obedient and very humble servant,  
Geo. Berner.”

Patna,

the 4th May, 1775.

“Memorandum of the articles which the Chief and Council of Fredisicks Nagore respectfully request may be added to the Perwannah for trading in the province of Bihar offered by the Nabob whereof a copy is herewith enclosed.

1st. That the duty upon Merchandize shall be no more than  $2\frac{1}{2}$  P. Cent.

Ans:—1st Agreed to.

2nd. That he shall have liberty to send Gomastah everywhere in the province under the Particular protection of Government.

Ans:—Agreed to, understanding Gomastahs to mean Natives of the Country employed in the provision of their Investment.

3rd That the Company’s servants, Boats and goods may pass and repass freely by land and water without being stopped, molested or any Extraordinary duties or fees whatever exacted.

Ans. 3rd Having paid the  $2\frac{1}{2}$  P. C duties an obtained a Rewannah from the Custom house their goods will pass free from all interruptions or demands of duties except the established duties of  $2\frac{1}{2}$  P.C. on the goods transported to any of Gunges for sale which shall continue to be their property at the time of sale.

4th. That upon complaint being made of any infringement of the preceeding articles by the subordinate officers of Government or others to the next magistrate he shall cause the same to be duly and fairly examined and give due satisfaction.

Ans. 4th. This is a matter of course and requires no special

order of Government.

5th. That in case of any money or effects being robbed or stolen from any of our Company's Servants or Gomastahs they shall meet the same justice as in the foregoing Article and the Magistracy shall exert their utmost efforts to apprehend the persons accused or suspected and to recover your things robbed or stolen or the Value there of and to bring the offender to condign punishment according to the Laws of the Country.

Ans. 5th. Every established Court of Audault is instructed to this effect and in any particular application these instructions will be enforced but the Government do not make themselves liable to restitution in money.

6th. That it shall be lawful for the Company's servants, or Gomastahs to advance money upon contracts and that as they are liable often to loose the same or part thereof by Merchants, Weavers, Dollolls etc. every possible assistance shall be given them for the recovery of such Debts.

Ans 6th. Agreed to, but it is to be understood that advances so made do not give any title to the exclusive services of the manufacturers beyond the letter of their contract nor are such advances to be forced upon them.

7th. That this Perwannah shall continue in force for ever and that the Zemindars etc. shall not presume to demand a new sunnad on any time or occasion

Ans. 7th. That the Perwannah agreeable to their articles requests and the answers to them will be drawn up in the usual form in which a clause to the effect of this Article is always inserted.

8th. That if the French and Dutch are allowed any privilege more than herein mentioned that the same may be granted to us and inserted in the Perwannahs accordingly and that if at any time the Government should think fit to grant the two said Nations any further privilege we shall upon due application be made equal with them.

Ans. 8th The two requisitions contained in this Article must remain for the subject of after consideration on particular application from them.

Further.

We beg leave to represent that our transaction in that province are not likely ever to amount to any considerable sum and wishing

to prevent every occasion of offence to the English Company's Agents we request as a particular favour to be allowed like the French and Dutch a small share in the Aurungs the proportionally less than the said Nations as we have not Occasion for the same quantity of Goods as they. To the Supplement:—No such partition holds good to the knowledge of the Board as it is contrary to their positive orders. The Danes will be entitled to a free Trade according to the regulations published.

Agreed that the President be furnished with a copy of the foregoing articles and Answers and desired to assist the Danish Chief in this application to Government for a perwanah on the above conditions.

A true extract of . . . . in the Secret  
Department 29th August, 1774.

Agreed that a copy of the above articles be translated into Persian and delivered to the Naib Subah with a recommendation to have the purport thereof added to the perwannah which he before granted to Mr Berner for the Establishment of a Danish Factory at Patna and that the Chief be desired to Acquaint Mr. Berner of our having complied with his request.

APPENDIX E

Statement of Lands held by Europeans in the District of Saran

Names of the persons holding the lands.	Country whether English or otherwise	Situation of the Lands.	Quantity of Lands held.	Whether by lease in fee simple or under what other tenure.	Quantity of land authorized to be held.	Date of Authority	The purpose to which the lands are applied	Supposed quantity of Land held on lease or otherwise.	Remarks
1	2	3	4	5	6	7	8	9	10
Nowell & Co W.W. Wood	English	Serah. Jomorah. Amooah. Teturecah.	50 Beegahs 50 Beegahs 50 Beegahs	Mokurrutsee	150-0-0	—	Indigo		These Factories were formerly the property of Mr Muston and were purchased by Nowell and Co from Messrs Cruttenden McKellop and Co. who will be able to give the information.
Morar and Hill at present Hill and Hickey.	English	Barrah. Turkoolca Mootecarry Loll Surain Sukhwah.	50 Beegahs 20 Beegahs 40 Beegahs 30 Beegahs	Mokurrutsee	140-0-0	—	Indigo Factory Indigo Factory.		N and Co.

W. Ball.	English	Rangevoor Rangevoor Rangevoor Rangevoor	50 Beegahs B. C. 12-10-0 5-2-0 1-4-0	Mokurruree (i) (ii) (iii) (iv)	68-16-0:		Indigo Factory		(i) Pottah in the name of J. Finch (ii) Do. (iii) Pottah in the name of Bisnath Chutooria and Sangut Buxus (iv) Pottah in the name of Bisnath Chutooria The Pottah lodged with Messrs. Ferguson and Co. of Calcutta who will give the necessary information regarding it.
J. B. Richards; at present Messrs. Ferguson & Co. Wood and Havell.	English	Peeprah.	51 Beegahs	Mokurruree	51 Beegahs.	—	Indigo.		
R. Spence.	English	Arrowah Dhungurrah Nuddaoah; & Bulahee.	10 Beegahs 10 Beegahs 10 Beegahs 10 Beegahs	Mokurruree	40 Beegahs.	—	Indigo.		These Factories were formerly the property of Mr. Muston and were purchased at the Sheriff's sale by Rustumgee Cavisgee and Co. who will be able to give the information required.

from the contractor and dispatched it to the Presidency, the advances only having been made by us. If it is your intentions that the provision of this article should in future be superintended by us we beg to be furnished with your orders that we may take the necessary precautions to procure as much as possible.

Nitanund the security for Parbateporc has been long since insolvent, he was 13287 Rupees in arrears at the close of the year 1180 and 12082 Rupees at the end of last year and as he is totally incapable of discharging any part of these sums, we have been under the necessity of sending a sczawul into the Pergunnah prevent the zemindar from embezzling the Revenue. We have not in any other respect absolved him from his securityship.

We are etc.

Members, Provincial

Council of Revenue,

Denagepore (Dinajpur)"

Denagepore,

The 7th November, 1775

## APPENDIX G

Extract from the Proceedings of His Excellency the Vice President in Council in the Commercial Department under dated the 13th September, 1811.

' Translation of a petition from the Proprietors of the saltpetre Mohauls in Behar transmitted by Dawk to the address of His Excellency the Vice President in Council August, 1811.

Previously to the establishment of the Honorable Company's government in Hindoostan the Saltpetre Mohauls in Behar were

Es (Tumleek) by our ancestors, and since that time they

in the possession of their Descendants As it is the

British Government to treat its subjects with kind-

we have uniformly enjoyed marks of its considera-

the time when trade was the sole occupation of

any our anecessotors purchased all the Salt

in the Districts composing their Estates, and

the Honorable Company's Agents, to the

European Nations. The English Gentle-

etre through our Aneestors and never

ons who prepare the Saltpetre). Not-

of the Soubadars of the Province who

ities with the Honorable Company our



## APPENDIX F

“To

The Hon’ble Warren Hastings Esqr.,  
Governor-General-in—Council at Fort William.

Hon’ble Sir & Sirs,

We have been honored by your favor of the 31st ultimo desiring an account of the Salt Petre produced in this division. In forming an opinion of the quantity and price of that article made in the Purnea District, we have been guided by the contract entered into by the Committee of Circuit from which it appears the produce amounted from eight to twelve hundred maunds yearly, deliverable at the Presidency at the rates of three rupees eight annas per maund of eighty sicca weight With respect to Dinagepore, Rungpore and the other districts dependant on this division, we are informed that it, in general, stands the merchants who manufacture it at the cheapest rate from Rs 4-8 to Rs. 5-4 per maund inclusive of the charges of four annas per maund for transporting it to Calcutta. The quantity produced we judge cannot exceed four thousand maunds.

We are etc.—

Members, Provincial  
Council of Revenue,  
Dinagepore (Dinajpur)’

Dinagepore,  
The 12th September, 1775.

APPENDIX F<sub>1</sub>

“To

The Hon’ble Warren Hastings Esqr.,  
Governor-General-in-Council of Revenue of Fort William.

Hon’ble Sir & Sirs,

Agreeable to your orders of the 1st instant we will endeavor to procure exact accounts of the Salt Petre which has been provided in Purnea since the contract which Rajah Davy Sing entered into with the Committee of Circuit: but we beg leave to inform you, that the provision of the Purnea Petre has hitherto been made under the directions of the Resident at the Durbar, who has received it

from the contractor and dispatched it to the Presidency, the advances only having been made by us. If it is your intention that the provision of this article should in future be superintended by us we beg to be furnished with your orders that we may take the necessary precautions to procure as much as possible.

Nitanund the security for Parbatepore has been long since insolvent, he was 13287 Rupees in arrears at the close of the year 1180 and 12082 Rupees at the end of last year and as he is totally incapable of discharging any part of these sums, we have been under the necessity of sending a sezawul into the Pergunnah prevent the zemindar from embezzling the Revenue. We have not in any other respect absolved him from his securityship

We are etc.

Members, Provincial

Council of Revenue,

Denagepore (Dinajpur)"

Denagepore,

The 7th November, 1775

## APPENDIX G

Extract from the Proceedings of His Excellency the Vice President in Council in the Commercial Department under dated the 13th September, 1811.

' Translation of a petition from the Proprietors of the saltpetre Mohauls in Behar transmitted by Dawk to the address of His Excellency the Vice President in Council August, 1811.

Previously to the establishment of the Honorable Company's Government in Hindoostan the Saltpetre Mohauls in Behar were held as Estates (Tumleek) by our ancestors, and since that time they have remained in the possession of their Descendants. As it is the practice of the British Government to treat its subjects with kindness and regard we have uniformly enjoyed marks of its consideration and favor. At the time when trade was the sole occupation of the Honorable Company our ancestors purchased all the Salt petre which was made in the Districts composing their Estates, and storing it up sold it to the Honorable Company's Agents, to the French, Dutch and other European Nations. The English Gentlemen purchased all the Saltpetre through our Ancestors and never from the Looneas (or persons who prepare the Saltpetre). Notwithstanding the prohibition of the Soubadars of the Province who were then engaged in hostilities with the Honorable Company our

ancestors at the risk of their lives continued clandestinely to Supply the Company with Saltpetre. In consequence of this many of them and their agents Experienced the most cruel treatment from the Nabob Cossim Alli Khaun, who cut off the ears and noses of some, and banished them from the City (of Patna). One person named Sobha Sing was carried away by Cossim Alli Khaun from the Factory of Bhojpoor and kept under restraint for the purpose of being put to death, but by means of large bribes to the people under whose charge he was confined he contrived to effect his escape. Two of his followers, however, who were confined with him were put to death Since the time when under the blessing of Divine Providence the Government of this country came into the hands of the Honorable Company distinguished marks of their favor have invariably been conferred on the proprietors of the Saltpetre Mohauls. With every Gentleman who from that time to the present has held the situation of Commercial Resident in this quarter, we have transacted the business of supplying the Honorable Company with Saltpetre, and from this traffic we have derived our Maintenance. Sincethecommencement of the Honorable Company's Power, we have held the Mohauls in question as proprietary Estate with regularly fixed and defined boundaries, and in the same manner as the Ryots on other Estates are subject to the authority of the Proprietors, in like manner the Looneeas and others employed to prepare Saltpetre have been subject to your authority. The business of supplying Saltpetre for the Honorable Company had at all times belonged to our ancestors and has descended in their families. The Looneeas at times settled on the Mohauls and at times run away but it has always rested with us to provide for all contingences and to furnish the requisite quantities of Saltpetre. It has always been the custom in the Saltpetre Mohauls for the proprietors in cases of necessity to dispose of their lands by absolute or conditional sale, to mortgage them, or lease them out as is done with other lands, the deeds of sale etc. being regularly authenticated by the Cazee's seal and the signature of the Registers of ths Zillah. In some cases also the lands have been sold at the office of the Commercial Resident for the recovery of arrears due to Government in consequence of a failure in the stipulated supplies of Saltpetre The purchaser receives a regular voucher of the sale from the Commercial Resident and he then holds possession of those lands in the same manner as of any other lands by purchase. There are now

several deeds of sales executed under the authority of Commercial Resident and the Court of Adawlut which are at present in force and the proprietors of those lands according to established usage are in possession of them by virtue of those Deeds No person had a right to purchase, from the tenants of another proprietor, Saltpetre produced within the boundaries of that proprietor's Estate. If at any time such purchase was discovered the Saltpetre was confiscated by the Commercial Resident together with the Vehicles in which it was transported The profits which we derived from the trade and the price which the Looneeas received from us for the Saltpetre, are no secret, but are known to all the Gentlemen in the Mofussil and at the Presidency In the year 1787 Mr. Powell came to this Quarter as Superintendent of the Saltpetre Mohauls. Having made a settlement in pursuance of the orders of Government, he delivered one copy of the agreement to us and another to the Looneeas under his own seal and signature, and from that time to this we have continued to supply the Saltpetre for the Company agreeably to that settlement. On the profits arising to us from this trade we have maintained ourselves passing our lives in expressing our gratitude to the Honorable Company All the Vouchers from the Commercial Resident's office both of former times and of late date, the Decrees of the Courts of Adawlut, the Deeds of Sale, Contracts and Leases, are in our hands. Lately, however, two advertisements, one dated the 30th May and the other the 2nd of July, 1811, have been affixed in the Collector's Office entirely subversive of our rights and calculated to bring ruin on us and also to affect the interests of the Honorable Company Since the public notice of the free purchase of Saltpetre by private sale (Khoosh Khureed) the agents of Mr G. Dodsworth and the other Merchants and Native Traders of Patna and other places go into the Saltpetre Mohauls composing our Estates and gaining over the Looneeas by offering them a higher price buy up all the Saltpetre of the season for which the Looneeas have received the Company's advances through us. The Looneeas although answerable for large sums received in advance for the present year as well as for arrears for former years, in consequence of the above mentioned advertisement sell the Saltpetre for the sake of the advanced price, and think to evade accounting for their Arrears due to the Company. In collusion with the purchasers they flatly refuse to give the Saltpetre to our agents and tell them that the purchase on account of the

Company has been abolished.

May it please your Excellency the advertisement of the free purchase of Saltpetre by private sale and the subsequent traffic of the Merchants in the article is extremely injurious to us, your Petitioners must be considered as a Violation of our right of property in our Estates. Be pleased to consider first that the Saltpetre Mohauls are our hereditary property and purchased by us by regular Deeds of sale. No one could purchase Saltpetre in the Mohauls belonging to us. In the second place the saltpetre Mohauls of the several proprietors were liable to be sold for the recovery of arrears due to Government as in the instance of the Mohaul of Sunkraun Poor which was sold in the Fussily year 1211/(1804/5 AD.) by order of the Board of Trade from which it is evident that the Saltpetre Mohauls were considered to be our property. In the third place ever since the commencement of the Saltpetre Manufacture our ancestors made advances to the amount of thousands of Rupees to the Looneas to enable them to settle in these Mohauls, and thereby promoted the Manufacture. In the fourth place to make good the arrears due to Government on account of advances made away with by the Looneas we sold other villages and stock belonging to us, in order to preserve our right of property in the Saltpetre Mohauls, on which we set the greatest value. In the fifth place the Looneas are indebted to us in four times the amount of what we are indebted, on account of arrears to the Honorable Company. If, therefore, we do not receive Saltpetre from the Looneas, how shall we make good what we owe to the Company. In the sixth place under the equitable Rule of the British Government no one has ever been dispossessed of his property, but on the contrary the English Gentlemen are ever disposed to promote the welfare and happiness of every individual, we your Excellency's poor Petitioners, by the licence which has been granted to others to purchase saltpetre are dispossessed of our proprietary right by which measure we shall be exposed to total ruin. We rely therefore on your Excellency's humanity and liberality that, in order secure to us our just rights, you will be pleased to direct that we shall continue as heretofore to have the exclusive right of purchasing the Saltpetre from the Looneas of the Saltpetre Mohauls held by us and that no Merchant or Trader be allowed to interfere. Our rights will thus be preserved to us and being constantly occupied in prayer for the prosperity of the Honorable Company we will finish the Saltpetre for which we are in arrears to Government.

Signed by the following proprietors of the Saltpetre Mohauls in Behar-

Durga Dut, Agent on the part of Burkutoonnissa Begum.  
 Ram Ruttun Sing.

Shaik Ghoollaum Ghous

Ghoollaum Cauder

Moulla Buksh

Jagwant Tewaree

Nitta Nund Tewaree

Goneish Dutt, Agent on the part of Birj Mohan Lal

Ram Senthree Doss

Seeta Ram Misser.

Sam Sirkar

Mohun Sing

Ramnaut Raum

Bhurt Raum

Bhooknesser Tewaree.

Shaum Laul Ramnaut

Resolution. Ordered that a copy of the above translation of the petition from the proprietors of the Saltpetre Mohauls in Behar be transmitted through the Revenue Department to the Board of Revenue for their report.

A true Extract  
 Signed/C. M. Ricketts."  
 Secy. to the Govt.,  
 Rev. Dept.,  
 the 1st October, 1811."

## APPENDIX H

Extract of a letter from the Hon'ble the President and Committee of Revenue of Fort William to the Chief and Council of Revenue at Patna, dated the 6th August, 1771:

'We have this day taken into our most serious consideration the subject of the coinage and after viewing a matter of such importance both to the community and to our employers in every light wherein it appeared that a change from the old system might either prejudice or benefit the country and the Company we have taken the following Resolution.

That 12 Sun Siccas shall be coined in the several mints in the

same manner as the 11 Suns were last year and that the annual coinage of Siccas shall hereafter continue to be marked as usual with the current year of the King's Reign.

That 11 Sun Siccas shall not fall in their value, but shall pass on the same footing as Siccas of the present and every future year throughout all the provinces and that whenever new Siccas of any future year shall be issued they shall not reduce the Siccas of the former years as far back as the 11 Suns, to the State of Sonauts. But they shall all be considered and pass in payment at the same value as the Siccas of the current year.

That the 10 Sun Siccas shall be considered and shall pass as Sonaut Rupees.

And that the other species of Rupees shall pass and be received at the same rate as heretofore."

## APPENDIX I

Proceedings of the 26th December, 1774.

Letter from the Governor-General and Council, dated 14th December, 1774:

"Having it in our view to take into immediate consideration the state of circulation, as well of paper as of specie, in these provinces, we think it necessary, for this purpose to be informed as exactly as possible of the general and particular effects produced by the institution of the Bank, and whether it has in fact answered the salutary ends proposed and expected from it. In order to obtain this necessary information, we have thought proper to draw up and transmit to you the enclosed queries on which we desire you will furnish us with your sentiments as expeditiously as possible. At the same time we think it necessary to inform you that we expect the most precise and deliberate answers on the several points therein referred to you, together with such other lights upon the subjects as your own experience may have furnished."

Extract of the Proceedings of the Governor-General and Council of Revenue at Fort William the 14th December, 1774.

### Queries

1. Whether the zamindars, raiyats, etc. have found greater difficulty in borrowing money since the institution of the Bank than before?

2. Whether the zamindars, raiyats etc. could borrow money at a lower interest, before the institution of the bank than they can now?

3. Whether since the institution of the Bank, the number of banking houses is not diminished?

4. Whether the farmers still complain of difficulty of paying in their rents from a scarcity of specie?

5. Whether the placing such large sums as the payment of the revenue must amount to in the hands\*\* one (?) house is of any detriment to the general credit of merchants, by throwing too great a demand of money into (?) that house.

6. Are bills procurable with the same ease, and less charge, since the institution of the bank, as before?

7. Whether upon application to the bank for bills the managers have not declined to give them?

8. When the managers have declined to give bills, what were the reasons they have urged?

9. As the decrease of the circulation on the District collections is one of the great evils which the institution of the bank professes to remedy, has it tended to produce a greater circulation of specie?

Reply of the Council of Revenue, Patna.

"We are this day honoured with your letter of the 14th instant. The establishment of the bank did not extend to this province and it is not therefore in our power to reply to your several questions, which relate to its consequences and effects

The mode of paying in the revenue here has been optional with the farmers since the Company's acquisition of the Dewani. Some few of themselves transmit their collections in specie, to the house of a shroff, who examines it, and passes it immediately to the treasury receiving a small gratuity from the rental for his agency. But they generally agree with the shroffs at the beginning of the year to make up their kists to Government, allowing interest for such part as is advanced by them above their remittances from the country. The rate of interest between the shroffs and renter is not absolutely fixed, it is usually about 2% per month and is increased or diminished according to the responsibility of the borrowers. There are four or five principal shroffs in this city, and many others of lesser note, but the bills of the most considerable only are accepted at the treasury. The shroffs seldom suffer the renters to be in arrears



to them for more than the amount of one or two kists, they then send their advances till their old account is cleared and at all times consider themselves as acting by the protection of Government and expect assistance in the recovery of debts thus contracted. The shroffs give parts or bills payable at from five to ten days sight, and if the money is not required for disbursements, it is common to defer the demand for a longer time. According to the present device of the payments few renters can complete their kists regularly without having recourse to a shroff whose profits on the Batta and interest on the money he lends, may be deemed a charge on the Revenue as it is an expence to the renter. On the other hand, were the collections to be delayed till the reaping of the harvest and sale of the grain, it would be almost impossible to recover so large an amount as would then become due, for to render this forbearance of any efficacy it must be carried to a lower degree and practised not only by the Government to the renter, but by him to the zemindar, and by the zemindar to the ryot. The consequence of which would be that the ryots would either spend or make off with the produce when collected, and every year the same risk would exist supposing the Zemindar to have made his collection from the Ryots. However unaccountable this may appear, it is certainly an evil inherent in the constitution of the country, which cannot be at once remedied, but must wait till by degrees a mutual confidence between the ryots, zemindar and renters, and the present method of acting towards one another by stratagem and deceit is abolished. The Farmers do not make any complaint of the want of silver, but those who pay their rents in *siccas* suffer a loss by the high rate of Batta, and the shroffs have sometimes mentioned a difficulty arising from the abolition of the mint, of converting into *siccas* when required the different species of Rupees which occasionally fall into their hands. The giving permission for all kinds of Rupees being received into the treasury at a certain Batta would perhaps relieve this inconvenience, but at the same time would render the account more complicated, all receipts being at present confined to the two species of *siccas* and *sanauts*."

## APPENDIX J

1 "I am directed by the Governor-General in Council to enclose a copy of a letter written to the Board of Revenue on the subject of

rendering the gold universally current throughout the country.

The proclamation therein quoted you will be pleased to publish at all the police stations within your jurisdiction and otherwise make it as generally known as possible At the same time you will notify that any person refusing to take gold in satisfaction of a debt or exacting a batta upon it in such payments will be punished according to his offence"—Letter from G H Barlow to H. Douglas, dated 12th August, 1793.

"To William Cowper Esq.

President and member of the Board of Revenue  
Gentleman,

On the 22 of November. 1792 we published a Proclamation that all gold mohurs of full weight with their subdivisions coined in the Calcutta mint since the 20 of March, 1769 corresponding with the year of the Hidjree 1182 should be a legal tender of payment in all public and private transactions throughout the country at the rate of sixteen sicca Rupees for each and proportionally for its subdivisions

2 Being very desirous of establishing the currency of gold in every part of the country we desire you will instruct the collectors to notify the above proclamation in the country languages in the Cutchery of every village within the limits of their respective Districts

3.. We are aware that it would not be advisable to issue the commercial and salt advances in gold at present but we see no objection to the salaries and establishments of the commercial and salt departments being issued in gold immediately and as the gold so issued will come back into the Treasury through the channel of the collections, its currency will thus gradually become established and the principal objection to the circulation of it in the other Departments be consequently removed.

4. We are sensible that the success of the measures which may be desired for establishing the currency of gold throughout the country will depend in a great measure upon the exertions of the collectors, since without their hearty co-operation to carry the regulation into effect and more particularly to prevent improper obstacles being thrown in the way of the receipt of gold at their respective Treasuries there is great reason to apprehend that the object which we have so much at heart may be materially impeded. In order, however, to make effectually guard against the obstacles

above alluded to we desire it may be notified to the officers of the Collectors Treasury that if it shall be proved that they have in any instance refused to receive gold coin tendered at the Treasury or exacted a Batta on it subsequently to such notification they will be dismissed from their offices with ignominy."

Fort William.  
The 12th August, 1793.

We are  
(Signed). Cornwallis  
P. Specke  
W. Cowper  
Tho. Graham

## APPENDIX K

"A mistake having happened at the time of your last selection of Masters, from taking an unrefined Ingot to the laminating office and issuing it into Gold Mohurs I request you will be pleased to take the depositions of the under-mentioned Mint servants respecting the circumstances of the mistake and furnish me with copies thereof that I may transmit them to the Mint Master for the information of the Hon'ble Governor General in Council.

Mr. Peter M Entee (not clear), assistant, Cummel Sircar (Kamal Sarkar) English writer, Choormul Bullion keeper.

I request you will be pleased to inform me whether you recollect at the time of your last selection on the 12th September my observing to you that I was going to commence the coinage of gold desirous that you should take samples of Gold I requested your staying a short time until some blanks which I had ordered to be prepared were struck off.

I shall be much obliged by your informing me whether you have heard any reports or suggestions from the Shroffs or merchants of any inferiority in the Patna coin."

Letter from K.T. Blake, Issuing Master, Patna Mint, dated 6th November, 1795.

"I have been favoured with your letter of the 6th instant and agreeable to your request herewith transmit to you my receipt for the Hoondie in my favour in the house of Gopaul Das, and Hurkissen Doss, at 21 days sight for Sa. Rs. 93-7-0 (Ninety three seven annas)."

Letter from Thomas Dashwood, Registrar of Covenants' Office,

dated 19th May, 1797.

Form of the Receipt: "Calcutta 19, March 1797. Received from Henry Douglas, Esqr. a Hoondie in my favour in the House of Gopaul Doss and Hurkissen Doss at Calcutta payable 21 days after sight of sicca rupees ninety three and seven annas."

Sa. Rs. 93-7-0

Thos. Dashwood,  
Registrar of Covenants.

## APPENDIX L

### *Shroffs at Patna:*

1. Ramchan Sahoe (Sahu) a shroff in the city of Patna.

Letter from the Judge of Sircar Sarun to Henry Douglas, dated 19th August, 1793.

2. Lutchmy Naram and Rutchpaul Daus, shroffs at Patna.

Letter from the Collector of Behar to H. Douglas, dated Gaya, the 14th March, 1793.

## APPENDIX M

"I beg to state to you that in paying a sum of money this morning to a native man of whom I purchased some goods, he rejected nearly two hundred rupees saying he would not receive them on account of some objections he had to them I am however assured that they are neither deficient in weight nor quality and they are the lawful currency of this place, as such I beg to know if there is any means to enforce their being received, as this fastidious, and probably dishonest, conduct has put me to some inconvenience and perhaps some time or other during my transactions, which he amongst the natives, may much distress or even injure me under which circumstances I crave your advice and assistance as the Magistrate of this place, not being aware of any other mode of obtaining relief."

(Letter from M.D. Blumford (or Blundford), dated Patna 10th Sept., 1819 to Tippet).

# Golssary

*Adawlat, Adalat*—A Court of Justice.

*Adhyapaka*—A Professor of Sanskrit learning

*Asami*—A cultivator, a tenant, a renter. a non-proprietary cultivator; a dependant, a debtor, a culprit, a criminal, a defendant in a suit

*Aitring, Aitang*—A place where goods are manufactured and collected for wholesale disposal or export. In the eighteenth century this term was also applied to the Company's 'factories for the purchase, on advances, of native piecegoods, etc.'

*Banian (Banyan)*—A Hindu trader or shopkeeper. A Hindu servant 'employed in the management of commercial business.' This term was used in Bengal 'to designate the native' who managed the money concerns of the Europeans and sometimes acted as an interpreter.

*Bathakkhana*—A place of recreation or meeting of the village people, or part of a shop or of a temple.

*Batta*—'Difference in exchange, discount on coins not current, or of short weight.' Also 'the rate of exchange between rupees of different species'. 'Amount added to or deducted from any payment according to the currency in which it is made as compared with a fixed standard coin.'

Also an extra allowance paid to 'officers, soldiers, or other public officers, when in the field, or on other special grounds . . .'

*Budgerow*—A lumbering keelless barge.

*Bukhsbunder*—The Officer of customs at Hughli A harbour or customs-master. Also a port, a customhouse.

*Chandi Mandap*—A religious chapel.

*Chatuspathi*—Institution for higher Sanskrit learning.

*Chaudhuri*—Village headman. Holder of a landed property next in rank to a *Zamindar*. The term was also applied to 'the headman

of a craft in a town, and more particularly to the person,' who was 'selected by Government as the agent through whom supplies, workmen etc.' were 'supplied for public purposes.'

*Chaukidar*—A village watchman, a police or customs-peon.

*Chintz*—A printed or spotted cotton cloth

*Chowkey (Chauki) Chowki, Choki*—A customs or toll station; a station of police; a place where an officer was posted to receive tolls and customs.

*Circar (Sarkar)*—The State; the Government; an Administrative Unit

*Coffree*—African.

*Cowrie*—A shell that passed for money in Bengal.

*Dadni (Dadney)*—Money advanced for goods.

*Dalal (Delol)*—A broker, salesman.

*Daroga*—'The chief native officer in various departments under the native government, a superintendent, a manager; but in later times he is specially the head of a police, customs or excise station.'

*Dastak (Dustick)*—A passport, permit or order. Usually implied 'the passport given by the Governor of Fort William, or the chief of the English factories, for the goods of the Company or their servants,' which exempted them from the payment of customs.

*Dimity*—A variety of cotton cloth.

*Dewan (Dewan)*—A minister, a chief officer of state. Under the Muhammadan government the title was usually applied to 'the head financial minister, whether of the state or a province charged in the latter with the collection of the revenue, the remittance of it to the imperial treasury and invested with extensive judicial powers in all civil and financial causes'

*Durbar, Darbar*—A Court or Levee, the hall of an audience, 'The court of a Mughal, a Nawab, or any great man.'

*Firman (Farman)*—An order, decree, command or a grant of the (Mughal) Emperor Also a patent or a passport

*Ganda*—'A money of account, equivalent in reckoning to four *kauris* or the twentieth part of an *anna*'

*Gentoo*—The term was applied 'in two senses;

(a) To the Hindus generally.

(b) To the Telugu-speaking Hindus of the Peninsula specially, and also to their language.'

*Gomasta (Gomastah)*—'An agent, a steward, a confidential factor, a

representative; an officer appointed by zamindars to collect their rents, by bankers to receive money, etc, by merchants to carry on their affairs in other places than where they reside and the like.' Also 'a clerk for vernacular correspondence.'

*Gunge (Ganj)*—A market; in Bengal and upper India, a village or town which was an emporium for grain and other necessities of life.

*Jagirdar*—The holder of a *jagir*.

*Kulins*—Those who had higher status in castes.

*Karkhana*—A manufactory.

*Khalsa (Calsa)*—Belonging to the King. 'The exchequer; the office of Government under the Muhammadan administration in which the business of the Revenue Department was transacted, and which was continued during the early period of British rule.' As applied to lands it 'signified lands the revenues of which were paid into the exchequer, as contradistinguished from *Jaghire*, or from other descriptions of lands, the Government share of the produce of which had been assigned to others.'

*Khazana*—A treasury, the public treasury; public revenue, the land tax.

*Kothiwalas*—Owners of *Kothis* or factories.

*Laundis*—Female slaves.

*Madrasa*—An Institution for Muslim education.

*Mahal*—'Any land, or a public fund, yielding a revenue to the Government'.

*Majhi*—Helmsman of a boat.

*Masnad*—A throne Also 'an elevated place of distinction in the Darbar, covered with a cloth, or carpet, for the prince to sit on.'

*Maul Adawlut*—Civil Court.

*Mohur*—A gold coin.

*Molazadahs*—A class of slaves.

*Mofussil*—'The country stations or districts, as contradistinguished from the 'Presidency'; or, relatively, the rural localities of a district as contradistinguished from the *sudder* or chief station, which is the residence of the district authorities.'

*Molungi*—'A worker of salt; a saltmaker.' A manufacturer of salt.

*Moor*—A Muhammadan.

*Munga dhoti*—A variety of silk cloth.

- Mutchalka*—A written bond or obligation.
- Naib Nazim*—‘Deputy Governor and administrator of justice.’ Also ‘an officer nominally under the Nawab of Bengal but appointed by British authority to superintend the administration of criminal justice.’
- Narayani*—A variety of coin.
- Nizam*—The office, or post of the Nazim or Viceroy of a Province  
Also the administration of criminal justice
- Nufurs*—a class of slaves.
- Paat or Paut*—‘A note or obligation to pay a sum of money for one’s own account, or another’s on an appointed day. It is often usual to accept these Paats from creditable persons, in payment of the arrears of the zemindars or renters’ *Circular orders of the Sudder Board of Revenue Calcutta 1839, Appendix.*
- Pachootorah (Putchootra)*—‘A duty of five per cent on the value of goods in transit.’ Also a ‘custom-house for collecting the inland *sayer* (customs, tolls, etc.) duties.’
- Panjika*—Almanac
- Parwanah (Parawana)*—‘An order, warrant, grant or letter under a great seal; a letter of authority from a superior to an inferior or dependant, a licence or pass.’
- Payal*—‘A sort of bench about three feet high and three feet broad, built against the wall of most houses in south India’
- Parganah (Paragana)*—The largest division of land in a *zamindari*, a sub-division of a *District*
- Poddar*—‘A cash-keeper, or specially an officer attached to a treasury, whose business’ it was ‘to weigh money and bullion and appraise the value of coins’ A money-changer, or teller, under a shroff.’
- Pykars (Paikars)*—Were ‘a chain of agents through whose hands the articles of merchandise’ passed ‘from the loom of the manufacturer or the store-house of the cultivator, to the public merchant, or exporter.’
- Pun*—A *Pun* was equivalent to eighty *kauris*.
- Pundit (Pandit)*—A scholar learned in Sanskrit lore.
- Purdah (Parda)*—A curtain, especially ‘a curtain screening women from the sight of men’
- Rahadary (Rahadari)*—A transit duty.
- Raiat, Ryot, Rayat*—A tenant, a farmer, a cultivator.
- Rowannah (Rawanha)*—‘A passport, a permit, a certificate from the



Collector of Customs.'

*Salami*—'A gratuity or offering on receiving a lease. . . .or on receiving any favour, real or implied'. A free gift made by way of compliment, or in return for a favour.

*Sannyasi*—A recluse; some of them engaged in commerce were called *sannyasi* merchants.

*Sati*—The custom of a woman burning herself on the funeral pyre of her husband.

*Sayer*—'Variable impost, distinct from land rent or revenue, consisting of customs, tolls, licenses, duties on merchandise, and other articles of personal moveable property; as well as mixed duties and taxes on houses, shops, bazars, etc.'

*Sayer Chellunlah Chalanta*—Tolls in transit.

*Sicca (Sikka)*—Any new coin. It was usually applied to standard silver rupee of the Bengal mints.

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